

*Recreational Residence Sites Within
HEYBURN STATE PARK
Benewah County, Idaho*

As of August 13, 1998

*Final version Adopted by
Park Board 10/29/98*

**Complete Appraisal
Summary Report**

Prepared by:

AUBLE & ASSOCIATES, INC.

**Terry R. Savage, MAI
Scot D. Auble, MAI**

Auble & Associates, Inc.

REAL ESTATE COUNSELORS, ANALYSTS & APPRAISERS

September 1, 1998

Mr. Rick Cummins
State of Idaho
Department of Parks and Recreation
2750 Kathleen Avenue, Suite #1
Coeur d'Alene, Idaho 83815

Re: Recreational Residence Sites Within
Heyburn State Park
Benewah County, Idaho

DAVID C. AUBLE, MAI
BRUCE C. JOLICOEUR, MAI
JOHN N. EVANS, MAI
SCOT D. AUBLE, MAI
TERRY R. SAVAGE, MAI
JEFFREY D. LEMBECK, MAI
D. ERIC JAMES, MAI
VICKI K. MUNDLIN
KAREN K. MEEK
LYNNE W. BLACK

Dear Mr. Cummings:

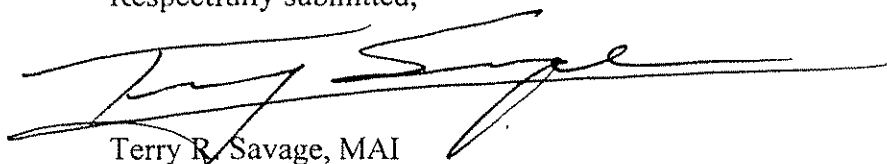
At your request, we have analyzed the real property referenced above, in order to estimate the market value of the fee simple interest of each site as of August 13, 1998, the date of inspection and effective date of this report. This is a **Complete Appraisal** analysis, the results of which are described in the attached **Summary Appraisal Report** with Addenda.

This is a Summary Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. Included you will find a description of the subject property, a mathematical summary of the Sales Comparison Approach to Value, as well as photographs, maps, and other supporting data. It should be understood that this Summary Report is less than a full narrative report and presents only a summary discussion of the data, reasoning, and analyses that were used in the appraisal process to develop our opinion of value. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for unauthorized use of this report.

On August 13, 1998, Terry R. Savage personally inspected the subject property and investigated the market for this type of property, as well as other pertinent facts affecting value. Scot D. Auble has also personally inspected the subject property, and is familiar with this type of property and the location. The appraisal was made under his direction and with his assistance.

Based on our examination and study of the property and the market, we have reached the value conclusions presented on page 42 of the attached Summary Appraisal Report, as of August 13, 1998, and based on terms and conditions indicated in this report.

Respectfully submitted,



Terry R. Savage, MAI
Primary Appraiser
Washington State Certified General Appraiser
SA-VA-GT-R551DP



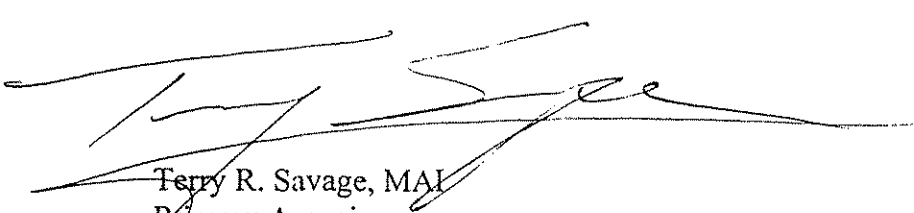
Scot D. Auble, MAI
Supervising Appraiser
Idaho State Certified General Appraiser
CGA-220

Record Page # 334

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent upon the reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event. The appraisal assignment is not based on a requested minimum or maximum valuation, a specific valuation or the approval of a loan.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the person signing this report, except for Scot D. Auble, MAI, who was the supervising appraiser.
- As of the date of this report, I, Terry R. Savage, have completed the requirements under the continuing education program of the Appraisal Institute.



Terry R. Savage, MAI
Primary Appraiser
Washington State Certified General Appraiser
SA-VA-GT-R551DP

Valuation Date: August 13, 1998

Record Page # 335

CERTIFICATION

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- My compensation is not contingent upon the reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event. The appraisal assignment is not based on a requested minimum or maximum valuation, a specific valuation or the approval of a loan.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made a personal inspection of the property that is the subject of this report.
- My capacity in the development of this appraisal is as supervising appraiser. Terry R. Savage is the primary appraiser.
- As of the date of this report, I, Scot D. Auble, have completed the requirements under the continuing education program of the Appraisal Institute.



Scot D. Auble, MAI
Supervising Appraiser
Idaho State Certified General Appraiser
CGA-220

Valuation Date: August 13, 1998

Record Page # 336

SUMMARY APPRAISAL REPORT - COMPLETE APPRAISAL

Client: Mr. Rick Cummins
State of Idaho
Department of Parks and Recreation
2750 Kathleen Avenue, Suite #1
Coeur d'Alene, Idaho 83815

Appraiser: Terry R. Savage, MAI
Scot D. Auble, MAI
Auble & Associates, Inc.
107 S. Howard Street, Suite #300
Spokane, Washington 99201

Subject: 172 Recreational Residence Sites
Within Heyburn State Park
Benewah County, Idaho

Legal Description: Heyburn State Park lies within Township 46 North, Ranges 3 and 4, WBM; and within Township 47 North, Range 3, WBM. The individual leased sites are described by lease number for the purposes of this appraisal report.

Recorded Owner: State of Idaho

Sales History: Heyburn State Park was created by the United States Congress in 1908, and has been owned by the State of Idaho since 1909.

Purpose of Appraisal: The purpose of this appraisal is to estimate the market value of the fee simple interest in the individual subject leased sites, as of August 13, 1998, the date of property inspection.

Function and Intended Use of Report: The function and intended use of this appraisal is to provide the client, the State of Idaho Department of Parks and Recreation, with value estimates on which to base appropriate rental rates for the subject leased sites.

The effect of the subject site leases on market value has not been considered or analyzed in this appraisal report.

Interest Valued: The fee simple interest. Fee simple is an estate without limitations or restrictions.

SUMMARY APPRAISAL REPORT - COMPLETE APPRAISAL

Date of Inspection: August 13, 1998
Effective Date of Value: August 13, 1998
Date of Report: September 1, 1998

Definition of Value

Market Value is defined as: "The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and both acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."¹

Appraisal Development and Reporting Process

In preparing this appraisal, the appraiser inspected the subject property; gathered pertinent information such as assessed valuation, zoning, and other governmental factors; analyzed economic and demographic trends; and interviewed individuals familiar with values, sales, and trends in the market, including buyers, sellers, and brokers. The appraiser then gathered information on comparable land sales, and analyzed the data as it applies to the Sales Comparison Approaches to Value.

The subject recreational residence sites, which are owned by the State of Idaho and leased to individuals, are improved with structures owned by the lessees. These improvements are not

¹ Board of Governors of the Federal Reserve System (FRS), 12 CFR Part 225; Federal Deposit Insurance Corporation (FDIC), 12 CFR Part 323; National Credit Union Administration (NCUA), 12 CFR Part 722; Office of the Comptroller of the Currency (OCC), 12 CFR 34.42(f); Office of Thrift Supervision (OTS), 12 CFR 564.2(f); and the Resolution Trust Corporation (RTC), 12 CFR Part 1608. Washington, DC: Federal Register, Vol 55, No. 251, pages 53610-53618; Monday, December 31, 1990. (Technical corrections published at 56 FR 1229 do not affect this definition.)

SUMMARY APPRAISAL REPORT - COMPLETE APPRAISAL

included in this appraisal analysis, which is of the land only. As a result, the Cost and Income Approaches are not appropriate methods of valuation. Only the Sales Comparison Approach has been employed in this analysis.

This Summary Appraisal Report sets forth the appraiser's conclusions and brief summaries of the analysis. However, this property cannot be properly understood without benefit of the supporting documentation retained in the appraiser's file.

Conformity with USPAP and Competency Provision

This appraisal has been developed to conform with the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation, and with the Standards of Professional Practice and Code of Ethics of the Appraisal Institute. No departure has been made from the USPAP.

We are familiar with the appraisal of this type of property and familiar with the subject's locale. We believe that we have sufficient education and experience to appraise the subject property; consequently, we found no need to take special measures to conform to the "Competency Provision" of the USPAP.

This appraisal includes no personal property, fixtures, or intangible items that are not real property and require separate valuation.

In developing this appraisal, no information that was required or deemed pertinent to the completion of the appraisal was unavailable. However, if in the future, additional pertinent information becomes available, we reserve the right to consider the information and its impact on the value estimated herein. Such review and consideration may be at an additional fee.

Estimated Marketing/Exposure Time

"Marketing Time" is defined as, "an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions."²

²

Dictionary of Real Estate Appraisal, Third Edition, The Appraisal Institute.

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"Exposure Time" is defined as, "the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal."³

The estimated marketing/exposure time for the individual subject sites is 6 to 24 months.

Limiting Conditions: Included in the Addenda of this Summary Report.

³ Dictionary of Real Estate Appraisal, Third Edition, The Appraisal Institute.

SUMMARY APPRAISAL REPORT - COMPLETE APPRAISAL

DESCRIPTION OF REAL ESTATE APPRAISED

Regional Description

Heyburn State Park is located at the southern end of Lake Coeur d'Alene within Benewah County, near the Kootenai County/Benewah County line. It is also located within the Coeur d'Alene Indian Reservation. This location benefits from close proximity to the population centers of Spokane, Washington; Coeur d'Alene, St. Maries, and Moscow, Idaho; and Pullman, Washington.

The County Seat of Benewah County is St. Maries, a town with a population of approximately 2,500 located within the St. Joe Valley at the confluence of the St. Joe River and the St. Maries River. St. Maries is often referred to as the gateway to the St. Joe River region.

The economy of this region is based primarily upon logging and agriculture, as well as government employment provided by Benewah County, the State of Idaho, and the U.S. Forest Service. A growing segment of the local economy is recreation/tourism. Tourists are attracted to the area by its scenic beauty, and the substantial number of rural areas, lakes, and streams. The region has good two-lane highway transportation to major population centers. The growing trend of tourism and recreational use is expected to continue.

The subject's general region can be visualized on the high altitude aerial photo on the following page.



Area Aerial Photo

SUMMARY APPRAISAL REPORT - COMPLETE APPRAISAL

Neighborhood Description

The subject neighborhood is Heyburn State Park. Heyburn State Park is located primarily in Benewah County near the mouth of the St. Joe River where it enters a series of lakes at the south end of Lake Coeur d'Alene. Heyburn State Park contains approximately 7,825 acres, over 2,000 acres of which are submerged under the area's lakes and wetland marshes. The northeasterly boundary of the park is formed by the bank and channel of the St. Joe River. Approximately 50 acres of upland timber land on the northwesterly side of the park is in Kootenai County.

Heyburn State Park is the oldest state park in Idaho. It was created from the Coeur d'Alene Indian Reservation by an Act of Congress on April 20, 1908, and purchase of the area was authorized by the Idaho State Legislature in March of 1909. The park was named in honor of U.S. Senator W. B. Heyburn, who was instrumental in its acquisition.

Heyburn State Park has extensive water frontage on Chatcolet Lake, Hidden Lake, and Benewah Lake. To the casual observer, these three lakes appear to be a continuous extension of the larger Lake Coeur d'Alene, as they are connected by a continuous body of water. However, the water is shallow between the lakes, and access to Lake Coeur d'Alene and the St. Joe River is via deeper channels marked for passage. This is a heavily timbered, very scenic area.

Over these many years, Heyburn State Park has been developed for camping, swimming, and boating. Available are trails for hikers, horses, and mountain bikes; boat docks, beaches, and the Chatq'ele' Interpretive Center at Rocky Point. There are also leased building sites on which the lessees have built summer cabins or placed float homes. Cottages have been built on both waterfront sites with docks, and secondary sites with common park waterfront access. Rental boat slips and boat houses are also available. Heyburn State Park is open to the public year-round. Some facilities are closed seasonally, but general operation is early spring to late fall for all facilities. The peak recreational season is essentially Memorial Day through Labor Day.

The docks within the park are owned by the State of Idaho, and have been relocated and consolidated in recent years. The State eventually plans to locate all or most of the moorage and boater facilities in one or more central marinas. There are no future plans to expand the number of recreational residence sites available, but the State does plan to eliminate some sites through acquisition over the next 20 years. Those sites scheduled for acquisition are referred to as "phase out" sites. As they become available, the State may purchase the leasehold improvements on a "willing seller" basis.

Lake Coeur d'Alene, along with the St. Joe River and those properties located within Heyburn State Park, have been owned, managed, and controlled by the State of Idaho for many years. This

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changed recently, however, when in late July, 1998, U.S. District Court Judge Edward Lodge ruled that the Coeur d'Alene Tribe owns the lower third of Lake Coeur d'Alene and the adjacent 20 miles of the St. Joe River. Judge Lodge's ruling is being appealed by the State of Idaho. It must be noted that the lakes within Heyburn State Park were not subject to this ruling, since they were previously adjudicated all the way to the U.S. Supreme Court and are now under the control and management of the State of Idaho Department of Parks and Recreation.

Highway access to Heyburn State Park is from State Highway #5, which runs between Plummer and St. Maries. Secondary access is provided by Conkling Road, which meets U.S. Highway #95 near Worley.

The primary market area serving Heyburn State Park is that between St. Maries, Idaho, and Pullman, Washington. The secondary market area is the metropolitan area of Spokane, Washington and Coeur d'Alene, Idaho, a city located at the north end of Lake Coeur d'Alene. Convenience shopping is available in Plummer and Worley, Idaho; major shopping and services are available in St. Maries, Coeur d'Alene, and Moscow in Idaho, and Spokane and Pullman in Washington.

Property Description

Subject Areas

The subject recreational residence sites consist of three distinct property types in five separate areas.

Area #1, Chatcolet, is all first and second tier, secondary sites with available boat slips, boat houses, and common parks and waterfront. Blocks "A" and "B" have 15 secondary sites and 2 park lots each; Block "C" has 13 secondary sites and one park lot; and Block "D" has 5 secondary sites and one park lot. Miscellaneous Lots "A", "B", "C", and "D" are all leased, plus the lodge site. Area #1 has a total of 52 leased sites.

Area #2, Rocky Point, consists of both waterfront and first and second tier secondary sites with a lodge, common beach, and marina with rental slips and boat houses. Block "A" has 8 secondary sites with common park and beach, and 3 park lots. Block "B" has 12 waterfront sites, 2 of which are reserved for parking. Block "C" is all park with common beach, marina with boathouses, and lodge. Block "D" has 18 waterfront sites and 2 park lots; Block "E" has 13 waterfront sites and 2 park lots; Block "F" has 6 secondary sites and 3 park lots; Block "G" has 5 secondary sites and

SUMMARY APPRAISAL REPORT - COMPLETE APPRAISAL

fire lanes; Block "I" has 5 secondary sites and 2 park lots; and Block "J" has 7 secondary sites, one lot split into two sites, and 2 park lots. Area #2 has a total of 79 lots, 80 sites, and 11 park lots.

Area #3, Hawley's Landing, consists of waterfront sites with private docks and common lots. There are 12 waterfront sites and 2 park lots.

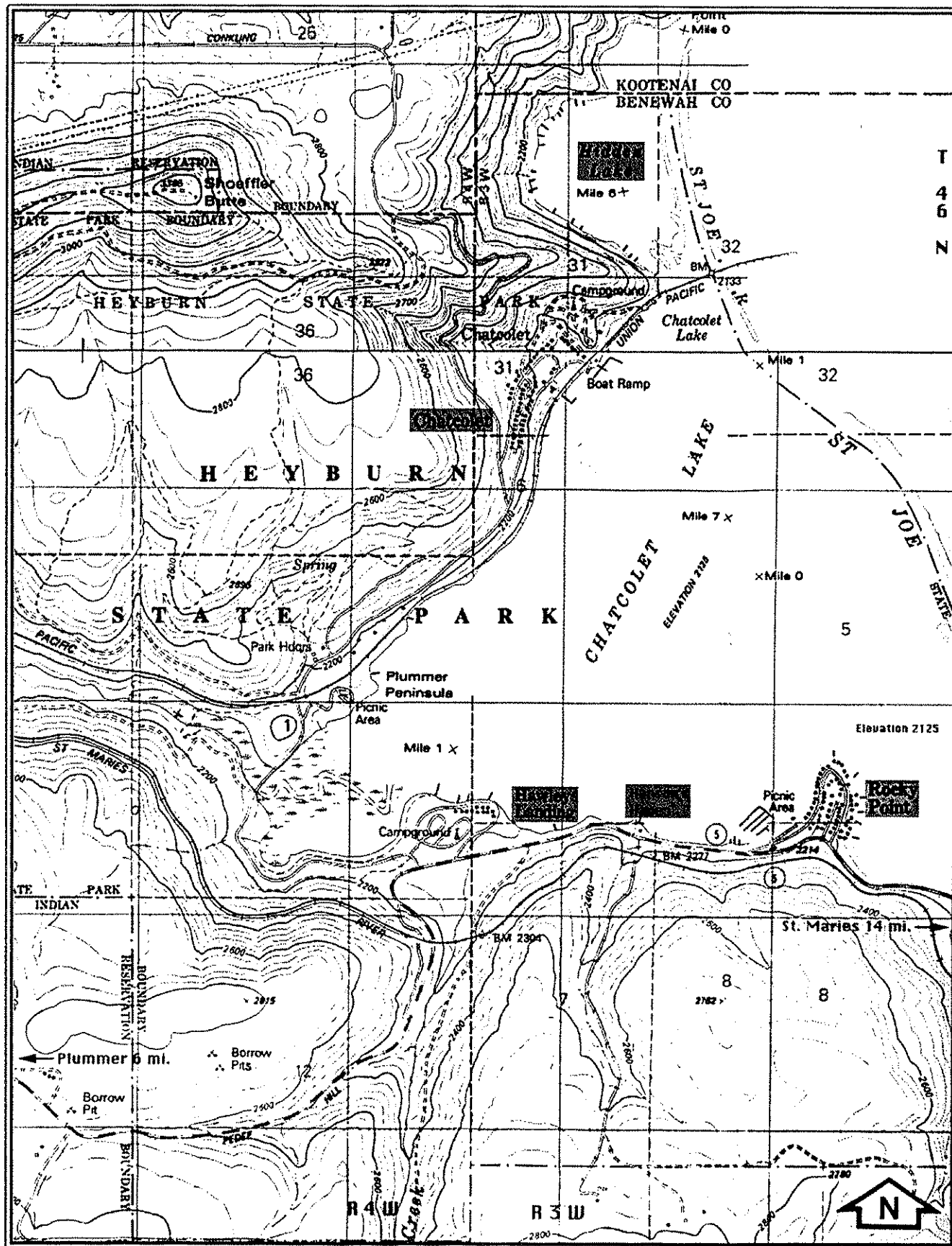
Area #4, Hidden Lake, has float home sites with central parking and trail and water access. There are 28 dock sites with float homes.

Area #5, Hanson's Haven, consists of public access land and one individual waterfront lot adjacent to Highway #5, lying between Hawley's Landing and Rocky Point.

In total, there are 145 land leased sites plus 27 dock sites. Approximately 56 of these front on the water, approximately 64 are secondary sites with waterfront access and boat slips available, and 2 are for parking. Most secondary sites have lake views, although some are screened or blocked. There are 27 float home sites, one individual cabin site, and 22 park lots and common areas, including rentals. It should be noted that the waterfront sites face on the water, but between the sites and the water is public access land that provides unrestricted access to the water. Many of the site lessees utilize this area for small outbuildings, temporary boat docking, etc.

Site Sizes

No survey of the subject recreational residence sites is available. The sites are generally determined by historic location relative to the actual location of the improvements. The lease terms typically specify, or assume, a 50' x 100' site within which the building improvements are situated. Some sites are 50' x 150', primarily at Chatcolet, and others are irregularly shaped. Lot 11 of Block "J" at Rocky Point has been divided and is improved with two structures. Setbacks are generally considered to allow about 10 feet between cabins, or 5 feet to each site boundary line from the building. The land is required to be left in its natural condition, except for fire control areas around the building and some maintained areas over drainfields. Some encroachments exist where buildings were built closer than 10 feet apart. Some other sites may have longer, more irregular shapes for site use purposes. Others have access, topography, or other conditions that limit site development and use. Therefore, some sites differ from others, and the 50' x 100' or 50' x 150' size may be adjusted to some extent.



Scale 1:24,000
Contour Interval:
40' & 20'



Topographical Map

SUMMARY APPRAISAL REPORT - COMPLETE APPRAISAL

Utilities and Roads

Electricity and telephone services are available to all the subject recreational residence sites, and water systems serve portions of the park and all of the subject sites, excluding the float home/dock sites. Heyburn State Park has two approved community water systems that provide domestic water and minimum fire protection. The Heyburn Park at Benewah system is rated by the State DEQ at 24 connections serving a population of 150. The Heyburn Park at Chatcolet system is rated at 154 connections serving a population of 400. These systems serve the residence sites, camping areas, and administrative buildings. Many of the cottages do not have year-round water facilities and are winterized to prevent freezing. Leaseholders currently pay a "Water Access Fee" of \$144/yr for domestic water and limited fire protection flows.

There is no community sewer system in the park, so sewage disposal is provided on-site by septic tanks and drainfields. These systems are older, and most do not meet current standards for storage tank design and capacity, distance from water, and absorption bed space. When the old existing systems fail, which according to the Panhandle Health District happens at a rate of three to five each year, the District allows replacement using a "best possible solution/system" philosophy. This entails locating a site on or near the leased lot that has the least rock and best available soils, since the area is rocky and has poor, non-absorbent soils. Park staff states that off-site area for suitable drainfield replacement space may be made available on a case-by-case basis, but the leaseholder must pay installation costs. Additional fees or costs for easement rights to off-site park property for utilities support may be required.

Heyburn State Park is served year-round by paved and county maintained Highway #5, which provides direct access to Plummer and St. Maries; and during the spring, summer, and fall months by Conkling Park Road, which provides direct access to Highway #95 near Worley. The park's interior roads are both paved and graveled, single lane roads maintained by the park staff. Road maintenance includes some required snow plowing in early fall and late spring, patching, grading, and the application of gravel and oil as needed. Park "utility fees" are currently \$72/yr for road maintenance, garbage collection, and street lighting.

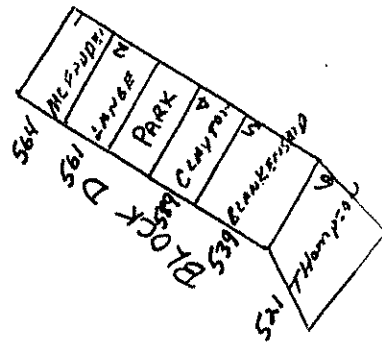
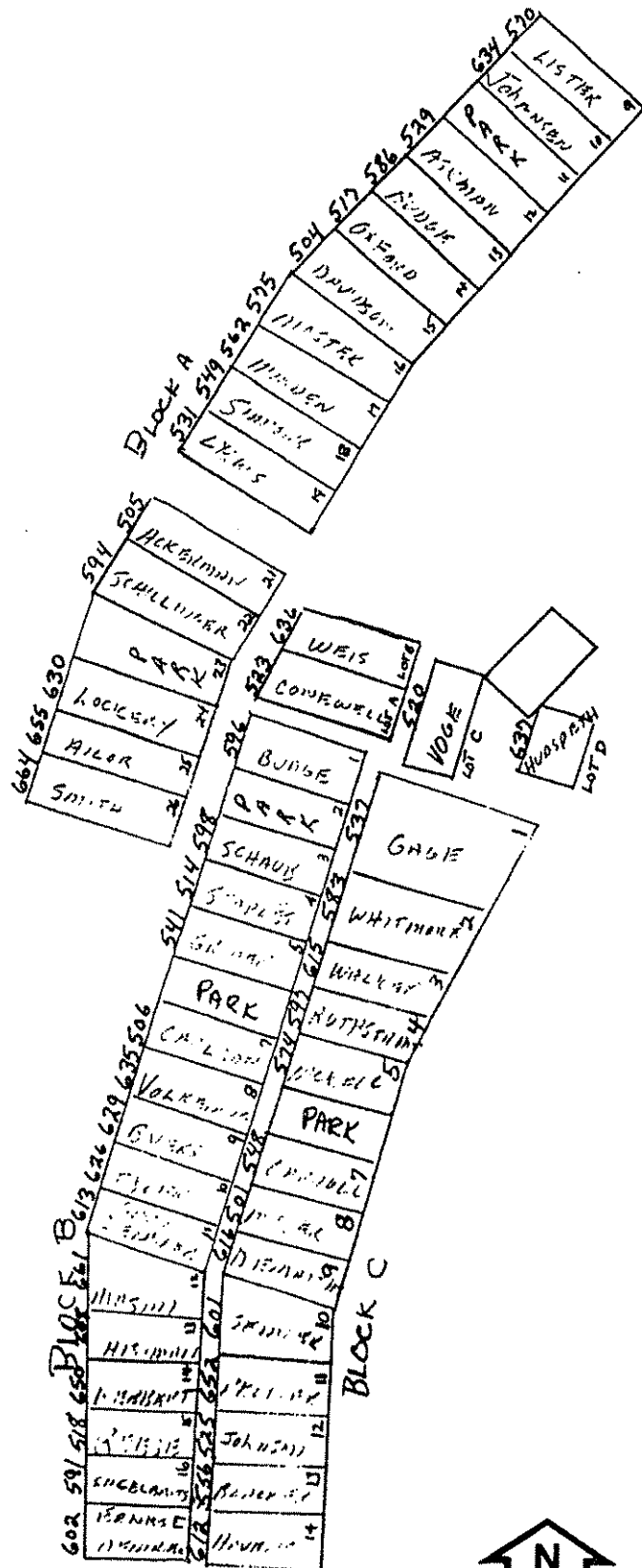
Site Leases

The recreational residence site leases restrict use or occupancy to six months, but do not designate the actual time frame. The secondary park roads are not maintained on a year-round basis. Some cabin owners have established "grandfathered" rights for longer occupancy, but must maintain their own road in the off season. These prior rights remain with the "grandfathered" leaseholder and do not pass to a subsequent owner in the case of a cabin's sale. The limitations imposed by the leases have not been considered in this appraisal.

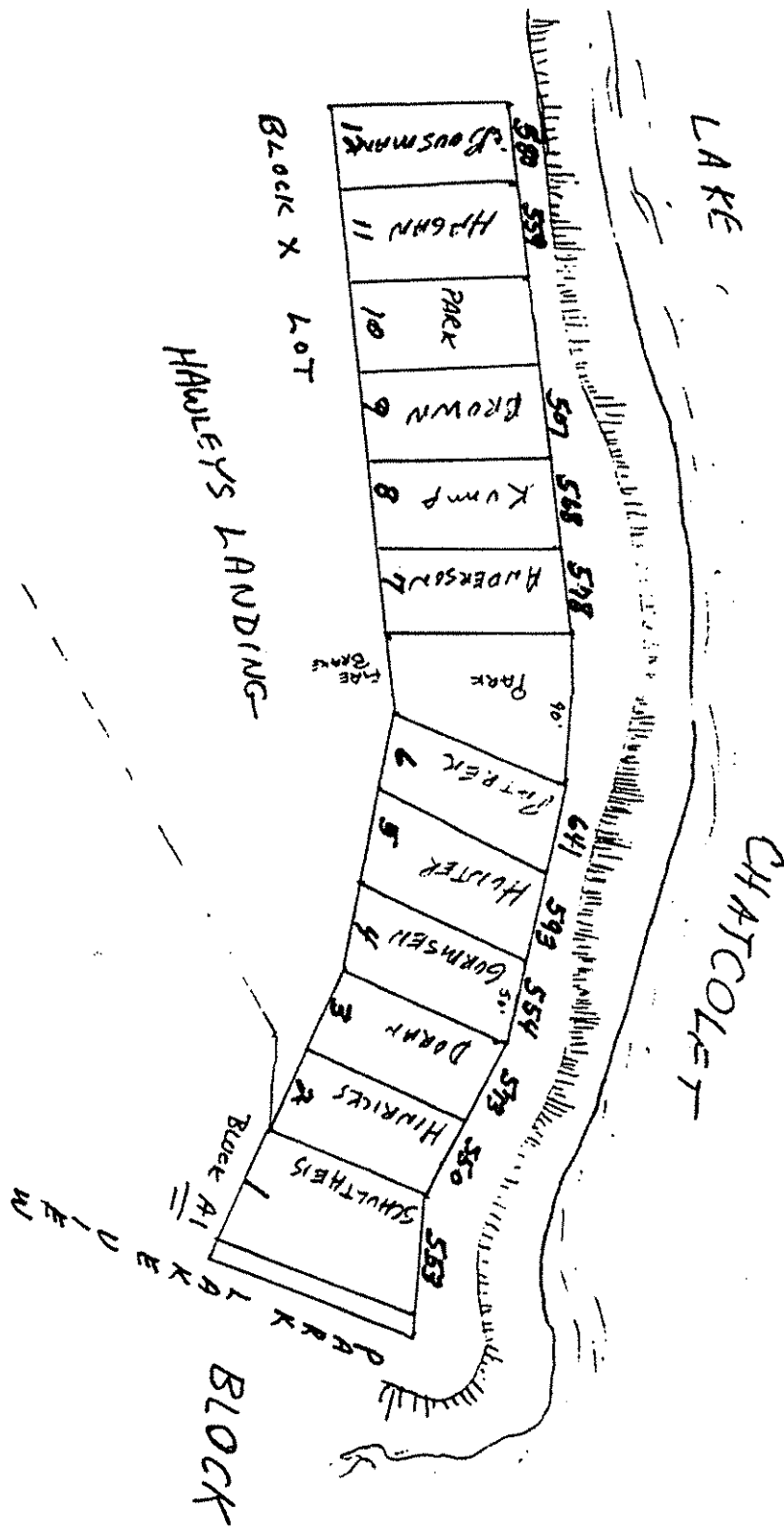
SUMMARY APPRAISAL REPORT - COMPLETE APPRAISAL

There is presently a Leaseholders' Rules Committee for the purpose of participation in the administration of rules for leaseholders under the Heyburn State Park General Development Plan, as well as working with the State Parks staff to develop recommendations on rules and lease fees. The leases will be up for renewal effective January 1, 2000, and new rental rates for the leased land are to be established and sustained at market value under the state's mandate to derive a "reasonable income" from its lands.

Lease rates for 1998 are \$966/yr for primary sites, \$671/yr for secondary sites, and \$966/yr for the float home/dock sites. The leases are tied to the CPI and have increased 24% from the base over the past six to seven years. The characteristics of each individual lot are summarized on the following pages.



Chatcolet



Hawleys Landing

SUBJECT PARCELS

Record Page # 352

Chatcolet Area

Page 1

Lease No	Type	Access	Parking	Terrain	Timber	Size	View	Phase Out	Comments
602	Secondary	2 roads	Limited	Steep	Yes	Typical	No	No	
591	Secondary	2 roads	Limited	Steep	Yes	Typical	No	No	
518	Secondary	2 roads	Limited	Steeper	Yes	Typical	No	No	
650	Secondary	2 roads	Limited	Steep	Yes	Typical	No	No	
648	Secondary	2 roads	Limited	Steep	Yes	Typical	No	No	The access road to #661 is across #648.
661	Secondary	2 roads	Yes	Steep	Yes	Typical	No	No	
613	Secondary	2 roads	Yes	Gentle	Yes	Typical	No	No	
626	Secondary	2 roads	Yes	Gentle	Yes	Typical	No	No	
629	Secondary	2 roads	Yes	Gentle	Yes	Typical	No	No	
635	Secondary	2 roads	Yes	Gentle	Yes	Typical	No	No	
506	Secondary	2 roads	Yes	Gentle	Yes	Typical	No	No	Adjacent to park lot. For Sale by Cougar Realty.
541	Secondary	2 roads	Yes	Gentle	Yes	Typical	No	No	Adjacent to park lot.
514	Secondary	2 roads	Yes	Gentle	Yes	Typical	No	No	
598	Secondary	2 roads	Yes	Gentle	Yes	Typical	No	No	Adjacent to park lot.
596	Secondary	2 roads	Yes	Gentle	Yes	Large	No	No	Adjacent to park lot.
523	Secondary	1 road	Yes	Gentle	Yes	Typical	No	No	
636	Secondary	1 road	Yes	Gentle	Yes	Typical	No	No	Adjacent to park land.
520	Secondary	1 road	Yes	Gentle	Yes	Typical	No	No	Adjacent to park land.
537	Secondary	2 roads	Yes	Gentle	Yes	Large	No	No	One road is paved.
583	Secondary	2 roads	Yes	Gentle	Yes	Large	No	No	For sale by owner.
615	Secondary	2 roads	Yes	Gentle to Steep	Yes	Typical	Yes	No	

Chatcolet Area, continued

Lease No	Type	Access	Parking	Terrain	Timber	Size	View	Phase Out	Comments
597	Secondary	2 roads	Yes	Steep	Yes	Typical	Yes	No	
574	Secondary	2 roads	Limited	Steep	Yes	Typical	Yes	No	Adjacent to park lot.
548	Secondary	2 roads	Yes	Steep	Yes	Typical	Yes	No	Adjacent to park lot.
501	Secondary	2 roads	Yes	Steep	Yes	Typical	Yes	No	
616	Secondary	2 roads	Yes	Steep	Yes	Typical	Yes	No	
601	Secondary	2 roads	Yes	Steep	Yes	Large	Yes	No	
652	Secondary	2 roads	Yes	Gentle	Yes	Typical	Yes	No	
525	Secondary	2 roads	Limited	Gentle	Yes	Small	Yes	No	
556	Secondary	2 roads	Limited	Gentle	Yes	Small	No	No	
612	Secondary	2 roads	Limited	Gentle	Yes	Small	No	No	
664	Secondary	Dirt road	Yes	Gentle to Steep	Yes	Large	No	No	Adjacent to park land; at end of water line.
655	Secondary	Dirt road	Yes	Gentle to Steep	Yes	Large	No	No	
630	Secondary	Dirt road	Yes	Gentle to Steep	Yes	Large	No	No	Adjacent to park lot; near pump station; clay problem.
594	Secondary	Dirt road	Yes	Gentle	Yes	Large	No	No	Adjacent to park lot.
505	Secondary	Dirt road	Yes	Gentle	Yes	Large	No	No	Adjacent to park land; cabin & boathouse for sale.
531	Secondary	2 dirt roads	Yes	Gentle	Yes	Large	No	No	
549	Secondary	2 dirt roads	Yes	Gentle	Yes	Large	No	No	
562	Secondary	2 dirt roads	Yes	Gentle	Yes	Large	No	No	
575	Secondary	2 dirt roads	Yes	Gentle	Yes	Large	No	No	
504	Secondary	2 dirt roads	Yes	Gentle	Yes	Large	No	No	
517	Secondary	2 dirt roads	Yes	Gentle	Yes	Large	No	No	
586	Secondary	2 dirt roads	Yes	Gentle	Yes	Large	No	No	
529	Secondary	2 dirt roads	Yes	Gentle	Yes	Large	No	No	Adjacent to park lot.

Record Page # 333

Chatcolet Area, concluded

Lease No	Type	Access	Parking	Terrain	Timber	Size	View	Phase Out	Comments
634	Secondary	2 dirt roads	Yes	Gentle	Yes	Large	No	No	Adjacent to park lot.
570	Secondary	2 dirt roads	Yes	Gentle	Yes	Large	No	No	Adjacent to park land.
564	Secondary	Dirt road	Yes	Gentle to Steep	Yes	Typical	No	No	Adjacent to park land.
561	Secondary	Dirt road	Yes	Gentle	Yes	Typical	No	No	Adjacent to park lot.
589	Secondary	Dirt road	Yes	Gentle	Yes	Typical	Very good	No	Adjacent to park lot. For sale w/boathouse.
539	Secondary	Dirt road	Yes	Gentle	Yes	Large	Very good	No	
521	Secondary	Dirt road	Yes	Gentle	Yes	Large	Very good	No	
637	Secondary	Dirt road	Yes	Gentle	Yes	Typical	Very good	No	Private drive, adjacent to park land.

Rocky Point

Lease No	Type	Access	Parking	Terrain	Timber	Size	View	Phase Out	Comments
566	Primary	Paved road	Yes	Gentle	Yes	Typical	Typical	No	Adjacent to park, good public beach; paid \$18,000 4-5 years ago.
543	Primary	Paved road	Yes	Gentle	Yes	Typical	Typical	No	
555	Primary	Paved road	Yes	Gentle to Steep	Yes	Typical	Typical	No	Adjacent to park lot.
565	Primary	Paved road	Yes	Steep	Yes	Typical	Typical	No	For sale, asking \$100,000; owned by 3 families. Adj to park lot.
571	Primary	Paved road	Yes	Steep	Yes	Typical	Typical	No	For sale.
522	Primary	Paved road	Yes	Steep	Yes	Typical	Typical	No	
512	Primary	Paved road	Yes	Steep	Yes	Typical	Typical	No	
534	Primary	Paved road	Limited	Steep	Yes	Typical	Typical	No	End of beach.
595	Primary	Paved road	Limited	Steep	Yes	Typical	Typical	No	
581	Primary	Paved road	Yes	Gentle to Steep	Yes	Typical	Yes	No	Sold 2 years ago for \$65,000; took 5 days word of mouth.

Rocky Point, continued

Lease No	Type	Access	Parking	Terrain	Timber	Size	View	Phase Out	Comments
607	Primary	Paved road	Yes	Gentle to Steep	Yes	Typical	Yes	No	
516	Primary	Paved road	Yes	Gentle to Steep	Yes	Typical	Very good	No	
532	Primary	Paved road	Yes	Gentle to Steep	Yes	Typical	Very good	No	Adjacent to park lot; sold for \$125,000 2 years ago w/boathouse.
606	Primary	Paved road	Yes	Steep Walkdown	Yes	Typical	Very good	No	
603	Primary	Paved road	Yes	Steep Walkdown	Yes	Typical	Very good	No	
579	Primary	Paved road	Yes	Steep Walkdown	Yes	Typical	Very good	No	
567	Primary	Paved road	Yes	Steep Walkdown	Yes	Typical	Yes	No	
588	Primary	Paved road	Yes	Steep Walkdown	Yes	Typical	Yes	No	
515	Primary	Paved road	Yes	Very Steep Walkdown	Yes	Typical	Typical	No	
609	Primary	Paved road	Yes	Very Steep Walkdown	Yes	Typical	Typical	No	
513	Primary	Paved road	Limited	Very Steep Walkdown	Yes	Typical	Typical	No	
542	Primary	Paved road	Limited	Very Steep Walkdown	Yes	Typical	Typical	No	
584	Primary	Paved road	Limited	Very Steep Walkdown	Yes	Typical	Typical	No	
585	Primary	Paved road	Yes	Very Steep Walkdown	Yes	Typical	Typical	No	Asking \$89,000; purchased for \$64,500 with \$50,000 dn at 8%.
510	Primary	Paved road	Yes	Very Steep Walkdown	Yes	Typical	Typical	No	Paid \$45,000 5 or 6 yrs ago, razed old bldg, built new. Sold 8/98.
519	Primary	Paved road	Limited	Very Steep Walkdown	Yes	Typical	Typical	No	
645	Primary	Paved road	Limited	Very Steep Walkdown	Yes	Small	Typical	No	
654	Primary	Paved road	Limited	Very Steep Walkdown	Yes	Typical	Typical	No	
528	Primary	Paved road	Limited	Very Steep Walkdown	Yes	Typical	Typical	No	
638	Primary	Paved road	Limited	Very Steep Walkdown	Yes	Typical	Typical	No	
642	Primary	Paved road	Yes	Very Steep Walkdown	Yes	Typical	Typical	No	Adjacent to two park lots.
656	Primary	Paved road	Yes	Very Steep Walkdown	Yes	Typical	Typical	No	Bought for \$12,000 to \$13,000 2 or 3 yrs ago; rebuilt.
503	Primary	Paved road	Yes	Very Steep Walkdown	Yes	Typical	Typical	No	

Rocky Point, continued

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Lease No	Type	Access	Parking	Terrain	Timber	Size	View	Phase Out	Comments
536	Primary	Paved road	Limited	Very Steep Walkdown	Yes	Typical	Typical	No	
551	Primary	Paved road	Yes	Very Steep Walkdown	Yes	Typical	Typical	No	
502	Primary	Paved road	Yes	Very Steep Walkdown	Yes	Typical	Typical	No	
614	Primary	Paved road	Limited	Very Steep Walkdown	Yes	Small	Typical	No	
623	Primary	Paved road	Limited	Very Steep Walkdown	Yes	Typical	Typical	No	Flooding problems.
663	Primary	Paved road	Yes	Very Steep Walkdown	Yes	Typical	Typical	No	Asking \$65,000.
621	Primary	Dirt road	Yes	Steep	Yes	Typical	Typical	No	
631	Primary	Dirt road	Yes	Steep	Yes	Typical	Typical	No	
620	Primary	Dirt road	Yes	Steep	Yes	Typical	Typical	No	Near highway.
633	Primary	Dirt road	Yes	Steep	Yes	Typical	Typical	No	Near highway.
524	Secondary	Paved road	Yes	Gentle	Yes	Typical	No	Yes	Adjacent to park land, across from park.
546	Secondary	Paved road	Yes	Gentle	Yes	Typical	No	Yes	Across from park.
547	Secondary	Paved road	Yes	Gentle	Yes	Large	No	Yes	Across from and adjacent to park land.
526	Secondary	Paved road	Yes	Gentle	Yes	Typical	No	Yes	Park land on both sides; across from park land.
500	Secondary	Paved road	Yes	Gentle	Yes	Typical	No	Yes	Across from and adjacent to park land.
619	Secondary	Paved road	Yes	Gentle	Yes	Typical	No	Yes	Across from park land.
577	Secondary	Paved road	Yes	Gentle	Yes	Typical	No	Yes	Bought 2 yrs ago for \$74,000, inc boathouse.
508	Secondary	Paved road	Yes	Gentle	Yes	Typical	Yes	Yes	
576	Secondary	Paved road	Yes	Gentle to Steep	Yes	Small	Yes	No	
600	Secondary	2 paved roads	Yes	Steep	Yes	Large	Yes	No	Future new road to east on adjacent 2 park lots in 5 to 10 years.
617	Secondary	2 paved roads	Yes	Steep	Yes	Typical	Yes	No	Future new road to east on adjacent 2 park lots in 5 to 10 years.
622	Secondary	Paved road	Limited	Steep	Yes	Typical	Yes	No	
563	Secondary	Paved road	Limited	Steep	Yes	Typical	Yes	No	Adjacent to park lot.

Rocky Point, continued

Lease No	Type	Access	Parking	Terrain	Timber	Size	View	Phase Out	Comments
599	Secondary	Paved road	Limited	Steep	Yes	Typical	Yes	No	Adjacent to park lot.
657	Secondary	Paved road	Limited	Steep	Yes	Typical	Yes	No	For sale.
533	Secondary	Paved road	Limited	Steep	Yes	Typical	Yes	No	
572	Secondary	Paved road	Yes	Steep	Yes	Typical	No	No	
605	Secondary	Paved road	Yes	Gentle to Steep	Yes	Typical	No	No	Adjacent to park land.
590	Secondary	Paved road	Yes	Gentle to Steep	Yes	Typical	Yes	No	Adjacent to park land.
582	Secondary	Paved access road	Yes	Gentle to Steep	Yes	Small	Yes	No	Adjacent to park land.
658	Secondary	Dirt road	Yes	Gentle to Steep	Yes	Typical	Yes	No	Adjacent to park land.
639	Secondary	Dirt road	Yes	Gentle to Steep	Yes	Typical	Yes	No	For Sale
628	Secondary	Dirt road	Yes	Gentle to Steep	Yes	Half Lot	Yes	No	
632	Secondary	Dirt road	Yes	Gentle to Steep	Yes	Half Lot	Yes	No	
649	Secondary	Dirt road	Yes	Gentle to Steep	Yes	Typical	Yes	No	
535	Secondary	Dirt road	Yes	Gentle to Steep	Yes	Typical	Yes	No	
647	Secondary	Dirt road	Yes	Gentle to Steep	Yes	Typical	Yes	No	For Sale by Schmiedmiller Realty.
646	Secondary	Dirt road	Yes	Gentle to Steep	Yes	Typical	Very good	No	Adjacent to park land.
560	Secondary	Dirt road	Yes	Gentle to Steep	Yes	Large	Yes	No	Adjacent to park land.
604	Secondary	Dirt road	Yes	Gentle to Steep	Yes	Typical	No	No	
558	Secondary	Dirt road	Yes	Gentle to Steep	Yes	Typical	No	No	
530	Secondary	Dirt road	Yes	Gentle to Steep	Yes	Typical	No	No	Adjacent to park land.
662	Secondary	Dirt road	Yes	Gentle to Steep	Yes	Typical	No	No	Adjacent to park lot.
651	Secondary	Dirt road	Yes	Gentle to Steep	Yes	Typical	No	No	Adjacent to park lot.
660	Secondary	Dirt road	Yes	Gentle to Steep	Yes	Typical	No	No	
625	Secondary	Dirt road	Yes	Gentle to Steep	Yes	Typical	No	No	

Rocky Point, concluded

Lease No	Type	Access	Parking	Terrain	Timber	Size	View	Phase Out	Comments
640	Secondary	Dirt road	Yes	Gentle to Steep	Yes	Typical	No	No	Adjacent to park land.

Hawley's Landing

Lease No	Type	Access	Parking	Terrain	Timber	Size	View	Phase Out	Comments
580	Primary	Dirt road	Yes	Gentle to Steep	Yes	Typical	Typical	Yes	
559	Primary	Dirt road	Yes	Gentle	Yes	Typical	Typical	Yes	Adjacent to park lot.
507	Primary	Dirt road	Yes	Gentle	Yes	Typical	Typical	Yes	Adjacent to park lot.
568	Primary	Dirt road	Yes	Gentle	Yes	Typical	Typical	Yes	
578	Primary	Low quality dirt rd	Yes	Gentle to Steep	Yes	Private	Typical	Yes	Adjacent to park lot. Sits back from lake, very private.
641	Primary	Dirt road	Yes	Steep	Yes	Private	Typical	Yes	Adjacent to park lot.
593	Primary	Dirt road	Yes	Very Steep	Yes	Private	Typical	Yes	
554	Primary	Dirt road	Yes	Gentle to Steep	Yes	Large	Yes	Yes	
573	Primary	Dirt road	Yes	Gentle to Steep	Yes	Typical	Yes	Yes	
550	Primary	Dirt road	Yes	Gentle to Steep	Yes	Typical	Very good	Yes	
553	Primary	Dirt road	Yes	Gentle to Steep	Yes	Large	Very good	Yes	

Hanson's Haven

Lease No	Type	Access	Parking	Terrain	Timber	Size	View	Phase Out	Comments
544	Primary	Paved Road	Yes	Gentle	Yes	Typical	Excellent	Yes	Heavy public use.

HIGHEST AND BEST USE

Definition

Highest and Best Use is defined as: "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria Highest and Best Use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability."⁴

The Subject Sites

The subject recreational residence sites are located within Heyburn State Park, and consist of sites adjacent to and surrounded by park land. These sites are currently owned by the State of Idaho, and have been leased for private use for many years. The tenants have built individual structures on these sites, most of which are in good condition, although in various states of repair. Under the terms of the leases, the tenants are responsible for real estate taxes on the improvements only, and the sites are controlled by lease restrictions that dedicate the surrounding land to public use, that restrict the trees that can be thinned or trimmed, etc.

All of the available sites are currently improved. Those that are not improved are generally not available, but are being held as open space. The State has no current plans for creation of any more recreational residence sites within the park. Some of the existing sites are classified as "phase out" sites; in other words, the State wishes to purchase them over the next 20 years. The area surrounding the lots is very scenic, timbered, and generally rolling to steep. Many of the lots front on the lake, have lake access, and a good view of the lake.

The subject property is not zoned and can be adapted to many uses. It is located in a rural part of Benewah County, some distance from the metropolitan centers of Spokane and Coeur d'Alene. Historically, the subject sites have appealed to those living between St. Maries, Idaho, and the Palouse area of Washington State, and to a lesser degree to those living in Spokane and Coeur d'Alene. As a result of the historic and current use of these sites, it is judged that their highest and best use is for continuing use as recreational residential sites.

It should be noted that the lots located on Hidden Lake, referred to as dock lots, or float home sites, have been used for float homes on the water for many years. These float homes are generally built elsewhere and towed to their current sites on Hidden Lake. Hidden Lake has foot and water access only, and does not have sewer or public water available. Thus, use of the float

⁴ Appraisal Institute, The Dictionary of Real Estate Appraisal, Third Addition, Page 171.

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homes entails removal of any sewage from the float homes and importation of all water. Due to the lack of access to the Hidden Lake area, the steep terrain, and the high cost associated with creating access and providing utilities, it is judged that the highest and best use of the Hidden Lake area is for continued use as float home sites.

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SUMMARY OF ANALYSIS AND VALUATION

SALES COMPARISON APPROACH TO VALUE

Market Data

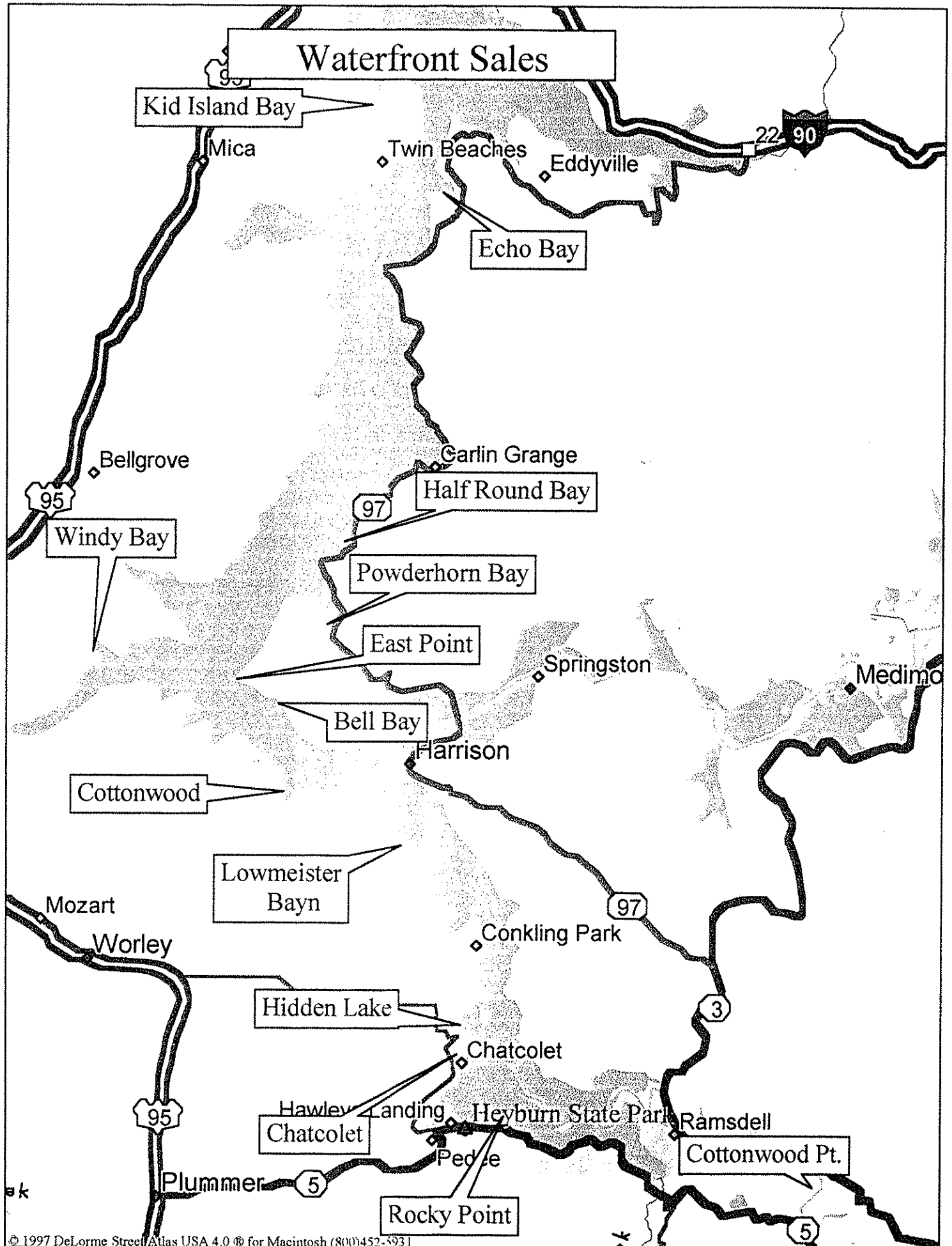
Lake Coeur d'Alene and its surrounding area have been researched for sales of comparable lots.

A total of 47 sales of lots on Lake Coeur d'Alene and the St. Joe River have been located and analyzed. 17 of these sales are applicable to the subject's primary, or waterfront, lots; 18 are applicable to the subject's secondary lots; and 12 are applicable to the subject's float home sites, or dock lots. The important data from each group of sales is summarized on the following tables, and their general locations are found on the accompanying maps. The sales have been arranged in order from north to south, beginning at the north end of Lake Coeur d'Alene and ending with the St. Joe River. This is helpful when analyzing the sales for locational trends.

Our research included the chain of smaller lakes along the Coeur d'Alene River. Several sales of lots on these small lakes were located and analyzed, but because there is a pollution stigma to many of these lakes, their sale rates are lower than appropriate for the subject lots. Therefore, none of these sales have been considered in this appraisal report.

WATERFRONT SALES													
As of Date:		8/13/98											
#	DATE	ELAPSED TIME	LOCATION		LEGAL	SALE PRICE	ACRES	DEPTH	FF	SF	UTILITIES	OTHER	RATE
1WF	8/29/96	23.80 mos.	NW	Kid Isl. Bay	L32	\$37,000	0.25 ac.	120 ft	50 ff	10,890 sf	Comm. water/Sewer Assoc. (CMWS))	Common beach slips, Shallow Bay	\$ 740/ff \$ 3.40/sf
2WF	8/29/96	23.80 mos.	NW	KIB	L33	\$41,600	0.22 ac.	120 ft	50 ff	9,583 sf	CMWS	Common beach slips, Shallow Bay	\$ 832/ff \$ 4.34/sf
3WF	8/29/96	23.80 mos.	NW	KIB	L 34	\$37,000	0.21 ac.	120 ft	50 ff	9,148 sf	CMWS	Common beach slips, Shallow Bay	\$ 740/ff \$ 4.04/sf
4WF	3/26/97	16.83 mos.	NW	KIB	Tax 11807	\$86,000	0.14 ac.	100 ft	60 ff	6,000 sf	CMWS	Common docks/ beach, Lev. to Slip., Shallow Bay	\$ 1,433/ff \$ 14.33/sf
5WF	1/1/96	31.83 mos.	NE	Echo Bay Panorama	Parcel 2	\$77,000	0.50 ac.	249 ft	90 ff	22,410 sf	Power/phone, No Wtr./Septic	Lvl. to Slip.	\$ 856/ff \$ 3.44/sf
6WF	5/8/96	27.57 mos.	NE	Echo Point	L5 & N1/2 L 4	\$83,500	0.83 ac.	400 ft	90 ff	36,000 sf	Lake water/No Sewer	Lvl. to Slip.	\$ 928/ff \$ 2.32/sf
7WF	3/4/97	17.57 mos.	E	Half Round Bay	S1/2 Tax 9302	\$90,000	0.34 ac.	150 ft	100 ff	15,000 sf	Offsite septic/No Water	2 lots @ \$45,000 ea., Rol to Slip.	\$ 900/ff \$ 6.00/sf
8WF	3/3/97	17.60 mos.	E	Powderhorn Bay	L 4	\$91,000	0.12 ac.	53 ft	100 ff	5,271 sf	Comm. Sewer	Steeply Sloping, Poor Parking, Adj. to Hwy.	\$ 909/ff \$ 17.27/sf
9WF	6/6/97	14.43 mos.	E	Powderhorn Bay	L 7 & 8 exc. Tax 17686	\$135,000	0.47 ac.	103 ft	199 ff	20,430 sf	All Serv. Avail to L 8, No Sewer to Lot 7	Slp. to Stp., Lot 7 is non-buildable	\$ 678/ff \$ 6.61/sf
10WF	5/29/98	2.53 mos.	E	Powderhorn Bay	1ST Add. Newton's	\$69,000	0.32 ac.	140 ft	100 ff	14,000 sf	Comm. Sewer	Steeply Sloping	\$ 690/ff \$ 4.93/sf
11WF	9/6/96	23.53 mos.	E	Webbs East Point	L9	\$70,500	0.24 ac.	249 ft	100 ff	10,200 sf	Power/phone, Lake Wtr./Septic	Lvl. to Slip., Difficult road	\$ 705/ff \$ 6.91/sf
12WF	1/1/95	44.00 mos.	SW	Windy Bay	Sun-Up Tracts Lot 3	\$90,000	0.67 ac.	326 ft	90 ff	29,360 sf	CMWS	Steep Hill, Shallow Bay	\$ 1,000/ff \$ 3.07/sf
13WF	9/6/96	23.53 mos.	SE	Bell Bay	Webbs E Pt., L 9	\$70,500	0.24 ac.	104 ft	101 ff	10,454 sf	Comm. Sewer	Gently Sloping	\$ 698/ff \$ 6.74/sf
14WF	10/1/96	22.70 mos.	SW	Cottonwood Bay	Richard's 2nd Add., L2 B1	\$87,000	0.50 ac.	256 ft	80 ff	20,480 sf	Easement for septic / no water	Rol. to Slip., No docks	\$ 1,088/ff \$ 4.25/sf
15WF	7/16/97	13.10 mos.	SW	Cottonwood Bay	Richard's 2nd Add., L1 B1	\$88,500	0.64 ac.	353 ft	79 ff	27,975 sf	Approv. off site Drainfield	Gently Sloping	\$ 1,117/ff \$ 3.16/sf
16WF	4/17/98	3.93 mos.	SW	Lowmeister Bayn	Cove Pt., L30, B 1	\$100,000	0.35 ac.	200 ft	75 ff	15,006 sf	Comm. Water & Sewer	Steeply Sloping, Gent. Beach	\$ 1,333/ff \$ 6.66/sf
17WF	9/15/95	35.43 mos.	S	Cottonwood Pt. Est. (River), 17-46-2	L 26A	\$74,000	0.70 ac.	273 ft	115 ff	31,395 sf	Public Sewer & Water	Gentile	\$ 643/ff \$ 2.36/sf
Statistical Summary													
MN.:	1/1/95	2.53 mos.				\$ 37,000	0.12 ac.	53 ft	50 ff	5,271 sf			\$ 643/ff \$ 2.32/sf
MAX.:	5/29/98	44.00 mos.				\$ 135,000	0.83 ac.	400 ft	199 ff	36,000 sf			\$ 1,433/ff \$ 17.27/sf
MEDIAN	9/6/96	23.53 mos.				\$ 83,500	0.34 ac.	150 ft	90 ff	15,000 sf			\$ 856/ff \$ 4.34/sf
ADV.:		21.53 mos.				\$ 78,094	0.40 ac.	195 ft	90 ff	17,271 sf			\$ 899/ff \$ 5.87/sf
STDEV.:						\$ 24,203	0.21 ac.	102 ft	35 ff	9,394 sf			\$ 231.90 \$ 4.08/sf
COVAR.:						0.31							0.26 0.69

Waterfront Sales



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Waterfront Lots

The sales of waterfront lots are located from Kid Island Bay on the north to the St. Joe River on the south. There does not appear to be any variance in sale price due to location on Lake Coeur d'Alene. Several high-end sales were found, primarily in the Carlin Bay area, but these have not been included because their sale rates are higher than appropriate for the subject lots. The 17 sales analyzed took place from January of 1995 to May of 1998, and sold for prices of \$37,000/lot to \$135,000, with a median price of \$83,500. The sales range in size from 5,271 sf to 36,000 sf and develop a median size of 15,000 sf; the subject lot sizes are generally 5,000 sf.

Included in the Statistical Summary portion of the Waterfront Sales chart is a measure of covariance. Covariance generally indicates which factor develops the best indication of value. The smallest covariance is the best indicator, because the smaller the covariance the smaller the variance; thus, most of the factors influencing value are answered by the mathematical computation. In this case, the covariance for dollars per front foot is the smallest at .26; therefore, the sale rate per front foot is utilized. The 17 sales develop sale rates ranging from \$643/ff to \$1,433/ff, with a median of \$856/ff and an average of \$899/ff. There is no statistical difference between the median and the average, indicating that the sales are normally distributed.

Waterfront Sales #5, #6, and #7 have total sale prices ranging from \$77,000 to \$90,000, and fit well within the distribution of the balance of the comparables. However, on a front foot basis, these sales display the highest sale rate relative to their size, indicating a superior location factor. As a result they have been given the least weight in this analysis.

The balance of the sales indicate that over 75% of the total variance in dollars per front foot can be attributed to size, with smaller size developing a higher rate per front foot. This is a typical relationship within the market, and is to be expected. The subject lots are fairly small at approximately 5,000 sf and should be at the higher end of the range on a front foot basis, or at approximately \$900/ff for a 50' lot. This would indicate a total value of \$45,000. As indicated above, size accounts for over 75% of the variance, with the balance of the variance due to other factors, such as terrain, view, parking, etc. These factors have been accounted for subjectively on the adjustment and lot value tables found at the end of this discussion.

As previously indicated, none of the subject's primary lots have actual frontage on the lake. The sales at Kid Island Bay have common lake frontage and the lots do not directly front on the lake; however, the values developed by these sales do not vary significantly from the other sales. In support of this, Secondary Comparable #3, located at Shorelands Addition on Carlin Bay, has a community beach surrounding the lot. This sale price does not vary significantly from the other secondary lot sales, and if it did display a variance, it would be toward the upper end of the range. Secondary Comparable #1 is also located at Kid Island Bay and it does not show any significant

SUMMARY APPRAISAL REPORT - COMPLETE APPRAISAL

variance from the other comparables. Thus, it is judged that public access to the beach is not a significant factor influencing value.

The typical value for the waterfront lots at Rocky Point and Hanson's Haven has been applied at \$45,000 per lot. The typical lot value applied to waterfront lots at Hawley's Landing is a lower \$40,000 per lot, due primarily to the lower water quality at Hawley's Landing. This area is generally more shallow and has more weed growth than the waterfront lots at Rocky Point and Hanson's Haven; therefore a subjective downward adjustment has been applied. Other factors considered include the availability of parking, terrain, timber, lot size, view, and whether or not the lot is adjacent to park land or private lots being occupied by tenants. Park land is open space that is generally viewed positively by buyers and sellers in this market.

The results of this analysis are summarized on the analysis tables for Rocky Point and Hawley's Landing found on the following pages. Hanson's Haven is included as Lease #544 at the bottom of the Rocky Point table because it is only one lot. After adjustments, the waterfront, or primary, lots at Rocky Point develop indicated value rates ranging from \$33,750 to \$51,750, with a median of \$40,500. These indications fit well within the appropriate range of total sale prices indicated by the comparables. Also after adjustments, the primary waterfront lots at Hawley's Landing develop indicated value rates ranging from \$36,000 to \$48,000, with a median of \$44,000. These values also fit well within the appropriate range of total sale prices indicated by the comparables.

Rocky Point

Key		
Typical Value:	Primary	\$ 45,000
	Secondary	\$ 24,000
Access	Paved road	0%
	Dirt road	0%
Parking	Limited	-5%
	Parking Yes	0%
Terrain	V Steep	-10%
	Steep	-5%
	Gentle to Steep	0%
	Gentle	5%
Timber	Timb. Yes	0%
Size	Typical	0%
	Large	10%
	Small	-10%
View	Very good	10%
	Yes	5%
	Typical	0%
	No	0%
Adj. Land	Pvt. Lot	0%
	Park Lot	5%
	Park	10%

#	Lease No	Type	Access	Parking	Terrain	Timber	Size	View	Adjacent	Total Adj.	VALUE
1	566	Primary	Paved road	Parking Yes	Gentle	Timb. Yes	Typical	Typical	Park		
		\$ 45,000	0%	0%	5%	0%	0%	0%	10%	15%	\$ 51,750
2	543	Primary	Paved road	Parking Yes	Gentle	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	0%	5%	0%	0%	0%	0%	5%	\$ 47,250
3	555	Primary	Paved road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	Typical	Park Lot		
		\$ 45,000	0%	0%	0%	0%	0%	0%	5%	5%	\$ 47,250
4	565	Primary	Paved road	Parking Yes	Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	0%	-5%	0%	0%	0%	0%	-5%	\$ 42,750
5	571	Primary	Paved road	Parking Yes	Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	0%	-5%	0%	0%	0%	0%	-5%	\$ 42,750
6	522	Primary	Paved road	Parking Yes	Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	0%	-5%	0%	0%	0%	0%	-5%	\$ 42,750
7	512	Primary	Paved road	Parking Yes	Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	0%	-5%	0%	0%	0%	0%	-5%	\$ 42,750
8	534	Primary	Paved road	Limited	Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	-5%	-5%	0%	0%	0%	0%	-10%	\$ 40,500
9	595	Primary	Paved road	Limited	Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	-5%	-5%	0%	0%	0%	0%	-10%	\$ 40,500
10	581	Primary	Paved road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	Yes	Pvt. Lot		
		\$ 45,000	0%	0%	0%	0%	0%	5%	0%	5%	\$ 47,250
11	607	Primary	Paved road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	Yes	Pvt. Lot		
		\$ 45,000	0%	0%	0%	0%	0%	5%	0%	5%	\$ 47,250
12	516	Primary	Paved road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	Very good	Pvt. Lot		
		\$ 45,000	0%	0%	0%	0%	0%	10%	0%	10%	\$ 49,500
13	532	Primary	Paved road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	Very good	Park Lot		
		\$ 45,000	0%	0%	0%	0%	0%	10%	5%	15%	\$ 51,750
14	606	Primary	Paved road	Parking Yes	Steep	Timb. Yes	Typical	Very good	Pvt. Lot		
		\$ 45,000	0%	0%	-5%	0%	0%	10%	0%	5%	\$ 47,250
15	603	Primary	Paved road	Parking Yes	Steep	Timb. Yes	Typical	Very good	Pvt. Lot		
		\$ 45,000	0%	0%	-5%	0%	0%	10%	0%	5%	\$ 47,250
16	579	Primary	Paved road	Parking Yes	Steep	Timb. Yes	Typical	Very good	Pvt. Lot		
		\$ 45,000	0%	0%	-5%	0%	0%	10%	0%	5%	\$ 47,250
17	567	Primary	Paved road	Parking Yes	Steep	Timb. Yes	Typical	10%	0%	5%	\$ 47,250
		\$ 45,000	0%	0%	-5%	0%	0%	5%	0%	0%	\$ 45,000
18	588	Primary	Paved road	Parking Yes	Steep	Timb. Yes	Typical	Yes	Pvt. Lot		
		\$ 45,000	0%	0%	-5%	0%	0%	5%	0%	0%	\$ 45,000
19	515	Primary	Paved road	Parking Yes	V Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	0%	-10%	0%	0%	0%	0%	-10%	\$ 40,500
20	609	Primary	Paved road	Parking Yes	V Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	0%	-10%	0%	0%	0%	0%	-10%	\$ 40,500
21	513	Primary	Paved road	Limited	V Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	-5%	-10%	0%	0%	0%	0%	-15%	\$ 38,250
22	542	Primary	Paved road	Limited	V Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	-5%	-10%	0%	0%	0%	0%	-15%	\$ 38,250
23	584	Primary	Paved road	Limited	V Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	-5%	-10%	0%	0%	0%	0%	-15%	\$ 38,250
24	585	Primary	Paved road	Parking Yes	V Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	0%	-10%	0%	0%	0%	0%	-10%	\$ 40,500
25	510	Primary	Paved road	Parking Yes	V Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	0%	-10%	0%	0%	0%	0%	-10%	\$ 40,500
26	519	Primary	Paved road	Limited	V Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	-5%	-10%	0%	0%	0%	0%	-15%	\$ 38,250
27	645	Primary	Paved road	Limited	V Steep	Timb. Yes	Small	Typical	Pvt. Lot		
		\$ 45,000	0%	-5%	-10%	0%	-10%	0%	0%	-25%	\$ 33,750
28	654	Primary	Paved road	Limited	V Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	-5%	-10%	0%	0%	0%	0%	-15%	\$ 38,250
29	528	Primary	Paved road	Limited	V Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	-5%	-10%	0%	0%	0%	0%	-15%	\$ 38,250
30	638	Primary	Paved road	Limited	V Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	-5%	-10%	0%	0%	0%	0%	-15%	\$ 38,250

Rocky Point

#	Lease No	Type	Access	Parking	Terrain	Timber	Size	View	Adjacent	Total Adj.	VALUE
31	642	Primary	Paved road	Parking Yes	V Steep	Timb. Yes	Typical	Typical	Park Lot		
		\$ 45,000	0%	0%	-10%	0%	0%	0%	5%	-5%	\$ 42,750
32	656	Primary	Paved road	Parking Yes	V Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	0%	-10%	0%	0%	0%	0%	-10%	\$ 40,500
33	503	Primary	Paved road	Parking Yes	V Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	0%	-10%	0%	0%	0%	0%	-10%	\$ 40,500
34	536	Primary	Paved road	Limited	V Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	-5%	-10%	0%	0%	0%	0%	-15%	\$ 38,250
35	551	Primary	Paved road	Parking Yes	V Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	0%	-10%	0%	0%	0%	0%	-10%	\$ 40,500
36	502	Primary	Paved road	Parking Yes	V Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	0%	-10%	0%	0%	0%	0%	-10%	\$ 40,500
37	614	Primary	Paved road	Limited	V Steep	Timb. Yes	Small	Typical	Pvt. Lot		
		\$ 45,000	0%	-5%	-10%	0%	-10%	0%	0%	-25%	\$ 33,750
38	623	Primary	Paved road	Limited	V Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	-5%	-10%	0%	0%	0%	0%	-15%	\$ 38,250
39	663	Primary	Paved road	Parking Yes	V Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	0%	-10%	0%	0%	0%	0%	-10%	\$ 40,500
40	621	Primary	Dirt road	Parking Yes	Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	0%	-5%	0%	0%	0%	0%	-5%	\$ 42,750
41	631	Primary	Dirt road	Parking Yes	Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	0%	-5%	0%	0%	0%	0%	-5%	\$ 42,750
42	620	Primary	Dirt road	Parking Yes	Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	0%	-5%	0%	0%	0%	0%	-5%	\$ 42,750
43	633	Primary	Dirt road	Parking Yes	Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
		\$ 45,000	0%	0%	-5%	0%	0%	0%	0%	-5%	\$ 42,750
44	524	Secondary	Paved road	Parking Yes	Gentle	Timb. Yes	Typical	No	Park		
		\$ 24,000	0%	0%	5%	0%	0%	0%	10%	15%	\$ 27,600
45	546	Secondary	Paved road	Parking Yes	Gentle	Timb. Yes	Typical	No	Pvt. Lot		
		\$ 24,000	0%	0%	5%	0%	0%	0%	0%	5%	\$ 25,200
46	547	Secondary	Paved road	Parking Yes	Gentle	Timb. Yes	Large	No	Park		
		\$ 24,000	0%	0%	5%	0%	10%	0%	10%	25%	\$ 30,000
47	526	Secondary	Paved road	Parking Yes	Gentle	Timb. Yes	Typical	No	Park		
		\$ 24,000	0%	0%	5%	0%	0%	0%	10%	15%	\$ 27,600
48	500	Secondary	Paved road	Parking Yes	Gentle	Timb. Yes	Typical	No	Park		
		\$ 24,000	0%	0%	5%	0%	0%	0%	10%	15%	\$ 27,600
49	619	Secondary	Paved road	Parking Yes	Gentle	Timb. Yes	Typical	No	Pvt. Lot		
		\$ 24,000	0%	0%	5%	0%	0%	0%	0%	5%	\$ 25,200
50	577	Secondary	Paved road	Parking Yes	Gentle	Timb. Yes	Typical	No	Pvt. Lot		
		\$ 24,000	0%	0%	5%	0%	0%	0%	0%	5%	\$ 25,200
51	508	Secondary	Paved road	Parking Yes	Gentle	Timb. Yes	Typical	Yes	Pvt. Lot		
		\$ 24,000	0%	0%	5%	0%	0%	5%	0%	10%	\$ 26,400
52	576	Secondary	Paved road	Parking Yes	Gentle to Steep	Timb. Yes	Small	Yes	Pvt. Lot		
		\$ 24,000	0%	0%	0%	0%	-10%	5%	0%	-5%	\$ 22,800
53	600	Secondary	Paved road	Parking Yes	Steep	Timb. Yes	Large	Yes	Pvt. Lot		
		\$ 24,000	0%	0%	-5%	0%	10%	5%	0%	10%	\$ 26,400
54	617	Secondary	Paved road	Parking Yes	Steep	Timb. Yes	Typical	Yes	Pvt. Lot		
		\$ 24,000	0%	0%	-5%	0%	0%	5%	0%	0%	\$ 24,000
55	622	Secondary	Paved road	Limited	Steep	Timb. Yes	Typical	Yes	Pvt. Lot		
		\$ 24,000	0%	-5%	-5%	0%	0%	5%	0%	-5%	\$ 22,800
56	563	Secondary	Paved road	Limited	Steep	Timb. Yes	Typical	Yes	Park Lot		
		\$ 24,000	0%	-5%	-5%	0%	0%	5%	5%	0%	\$ 24,000
57	599	Secondary	Paved road	Limited	Steep	Timb. Yes	Typical	Yes	Park Lot		
		\$ 24,000	0%	-5%	-5%	0%	0%	5%	5%	0%	\$ 24,000
58	657	Secondary	Paved road	Limited	Steep	Timb. Yes	Typical	Yes	Pvt. Lot		
		\$ 24,000	0%	-5%	-5%	0%	0%	5%	0%	-5%	\$ 22,800
59	533	Secondary	Paved road	Limited	Steep	Timb. Yes	Typical	Yes	Pvt. Lot		
		\$ 24,000	0%	-5%	-5%	0%	0%	5%	0%	-5%	\$ 22,800
60	572	Secondary	Paved road	Parking Yes	Steep	Timb. Yes	Typical	No	Pvt. Lot		
		\$ 24,000	0%	0%	-5%	0%	0%	0%	0%	-5%	\$ 22,800
61	605	Secondary	Paved road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	No	Park		
		\$ 24,000	0%	0%	0%	0%	0%	0%	10%	10%	\$ 26,400
62	590	Secondary	Paved road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	Yes	Park		
		\$ 24,000	0%	0%	0%	0%	0%	5%	10%	15%	\$ 27,600
63	582	Secondary	Paved road	Parking Yes	Gentle to Steep	Timb. Yes	Small	Yes	Park		
		\$ 24,000	0%	0%	0%	0%	-10%	5%	10%	5%	\$ 25,200
64	658	Secondary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	Yes	Park		
		\$ 24,000	0%	0%	0%	0%	0%	5%	10%	15%	\$ 27,600
65	639	Secondary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	Yes	Pvt. Lot		
		\$ 24,000	0%	0%	0%	0%	0%	5%	0%	5%	\$ 25,200
66	628	Secondary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Small	Yes	Pvt. Lot		
		\$ 24,000	0%	0%	0%	0%	-10%	5%	0%	-5%	\$ 22,800
67	632	Secondary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Small	Yes	Pvt. Lot		
		\$ 24,000	0%	0%	0%	0%	-10%	5%	0%	-5%	\$ 22,800
68	649	Secondary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	Yes	Pvt. Lot		
		\$ 24,000	0%	0%	0%	0%	0%	5%	0%	5%	\$ 25,200
69	535	Secondary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	Yes	Pvt. Lot		
		\$ 24,000	0%	0%	0%	0%	0%	5%	0%	5%	\$ 25,200
70	647	Secondary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	Yes	Pvt. Lot		
		\$ 24,000	0%	0%	0%	0%	0%	5%	0%	5%	\$ 25,200
71	646	Secondary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	Very good	Park		
		\$ 24,000	0%	0%	0%	0%	0%	10%	10%	20%	\$ 28,800

Rocky Point											
#	Lease No	Type	Access	Parking	Terrain	Timber	Size	View	Adjacent	Total Adj.	VALUE
72	560	Secondary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Large	Yes	Park		
		\$ 24,000	0%	0%	0%	0%	10%	5%	10%	25%	\$ 30,000
73	604	Secondary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	No	Pvt. Lot		
		\$ 24,000	0%	0%	0%	0%	0%	0%	0%	0%	\$ 24,000
74	558	Secondary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	No	Pvt. Lot		
		\$ 24,000	0%	0%	0%	0%	0%	0%	0%	0%	\$ 24,000
75	530	Secondary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	No	Park		
		\$ 24,000	0%	0%	0%	0%	0%	0%	10%	10%	\$ 26,400
76	662	Secondary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	No	Park Lot		
		\$ 24,000	0%	0%	0%	0%	0%	0%	5%	5%	\$ 25,200
77	651	Secondary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	No	Park Lot		
		\$ 24,000	0%	0%	0%	0%	0%	0%	5%	5%	\$ 25,200
78	660	Secondary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	No	Pvt. Lot		
		\$ 24,000	0%	0%	0%	0%	0%	0%	0%	0%	\$ 24,000
79	625	Secondary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	No	Pvt. Lot		
		\$ 24,000	0%	0%	0%	0%	0%	0%	0%	0%	\$ 24,000
80	640	Secondary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	No	Park		
		\$ 24,000	0%	0%	0%	0%	0%	0%	10%	10%	\$ 26,400
Primary											
MIN.:											\$ 33,750
MAX.:											\$ 51,750
MEDIAN:											\$ 40,500
Secondary											
MIN.:											\$ 22,800
MAX.:											\$ 30,000
MEDIAN:											\$ 25,200
Hanson's Landing											
#	Lease No	Type	Access	Parking	Terrain	Timber	Size	View	Adjacent	Total Adj.	VALUE
1	544	Primary	Paved road	Parking Yes	Gentle	Timb. Yes	Typical	Yes	Park		
		\$ 45,000	0%	0%	Gentle	0%	0%	5%	10%	15%	\$ 51,750

Hawley's Landing

Key		
Typical Value:	\$ 40,000	
Parking	Limited	-5%
	Parking Yes	0%
Terrain	V Steep	-10%
	Steep	-5%
	Gentle to Steep	0%
	Gentle	5%
Timber	Timb. Yes	0%
Size	Typical	0%
	Large	10%
	Small	-10%
View	Very good	10%
	Yes	5%
	Typical	0%
	No	0%
Adj. Land	Pvt. Lot	0%
	Park Lot	5%
	Park	10%

#	Lease No	Type	Access	Parking	Terrain	Timber	Size	View	Adjacent	Total Adj.	VALUE
1	580	Primary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	Typical	Park		
				0%	0%	0%	0%	0%	10%	10%	\$ 44,000
2	559	Primary	Dirt road	Parking Yes	Gentle	Timb. Yes	Typical	Typical	Park Lot		
				0%	5%	0%	0%	0%	5%	10%	\$ 44,000
3	507	Primary	Dirt road	Parking Yes	Gentle	Timb. Yes	Typical	Typical	Park Lot		
				0%	5%	0%	0%	0%	5%	10%	\$ 44,000
4	568	Primary	Dirt road	Parking Yes	Gentle	Timb. Yes	Typical	Typical	Pvt. Lot		
				0%	5%	0%	0%	0%	0%	5%	\$ 42,000
5	578	Primary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	Typical	Park Lot		
				0%	0%	0%	0%	0%	5%	5%	\$ 42,000
6	641	Primary	Dirt road	Parking Yes	Steep	Timb. Yes	Typical	Typical	Park Lot		
				0%	-5%	0%	0%	0%	5%	0%	\$ 40,000
7	593	Primary	Dirt road	Parking Yes	V Steep	Timb. Yes	Typical	Typical	Pvt. Lot		
				0%	-10%	0%	0%	0%	0%	-10%	\$ 36,000
8	554	Primary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Large	Yes	Pvt. Lot		
				0%	0%	0%	10%	5%	0%	15%	\$ 46,000
9	573	Primary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	Yes	Pvt. Lot		
				0%	0%	0%	0%	5%	0%	5%	\$ 42,000
10	550	Primary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	Very good	Pvt. Lot		
				0%	0%	0%	0%	10%	0%	10%	\$ 44,000
11	553	Primary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Large	Very good	Pvt. Lot		
				0%	0%	0%	10%	10%	0%	20%	\$ 48,000
MIN.:											\$ 36,000
MAX.:											\$ 48,000
MEDIAN:											\$ 44,000

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SUMMARY APPRAISAL REPORT - COMPLETE APPRAISAL

Secondary Lots

The 18 secondary lot sales are located from Kid Island Bay on the north to Conkling Park on the south. Conkling Park is adjacent to and north of Hidden Lake, and is therefore considered to be an excellent comparable location. Again, there does not appear to be any variance in sale price due to location on Lake Coeur d'Alene. These comparables took place between January of 1996 and November of 1997, and develop total sale prices ranging from \$9,800 to \$42,000, with a median of \$23,250. The sale lots range in size from 7,841 sf to 52,272 sf, with a median of 13,721 sf. These sales have been analyzed on an overall sale price basis, as well as dollar per square foot. The lowest covariance of .38 is developed by the overall sale rate analysis, and is the best indicator of value. Thus, the overall sale rate will be utilized in this analysis.

These sales indicate that over 84% of the total variance in dollars per square foot can be attributed to size. The size of the subject lots is approximately 5,000 sf. The comparables develop a strong median sale price of \$23,250 and an average sale price of \$23,922. These two indications of central tendency do not significantly differ; therefore, an appropriate sale price applicable to the subject's secondary lots is judged to be \$24,000.

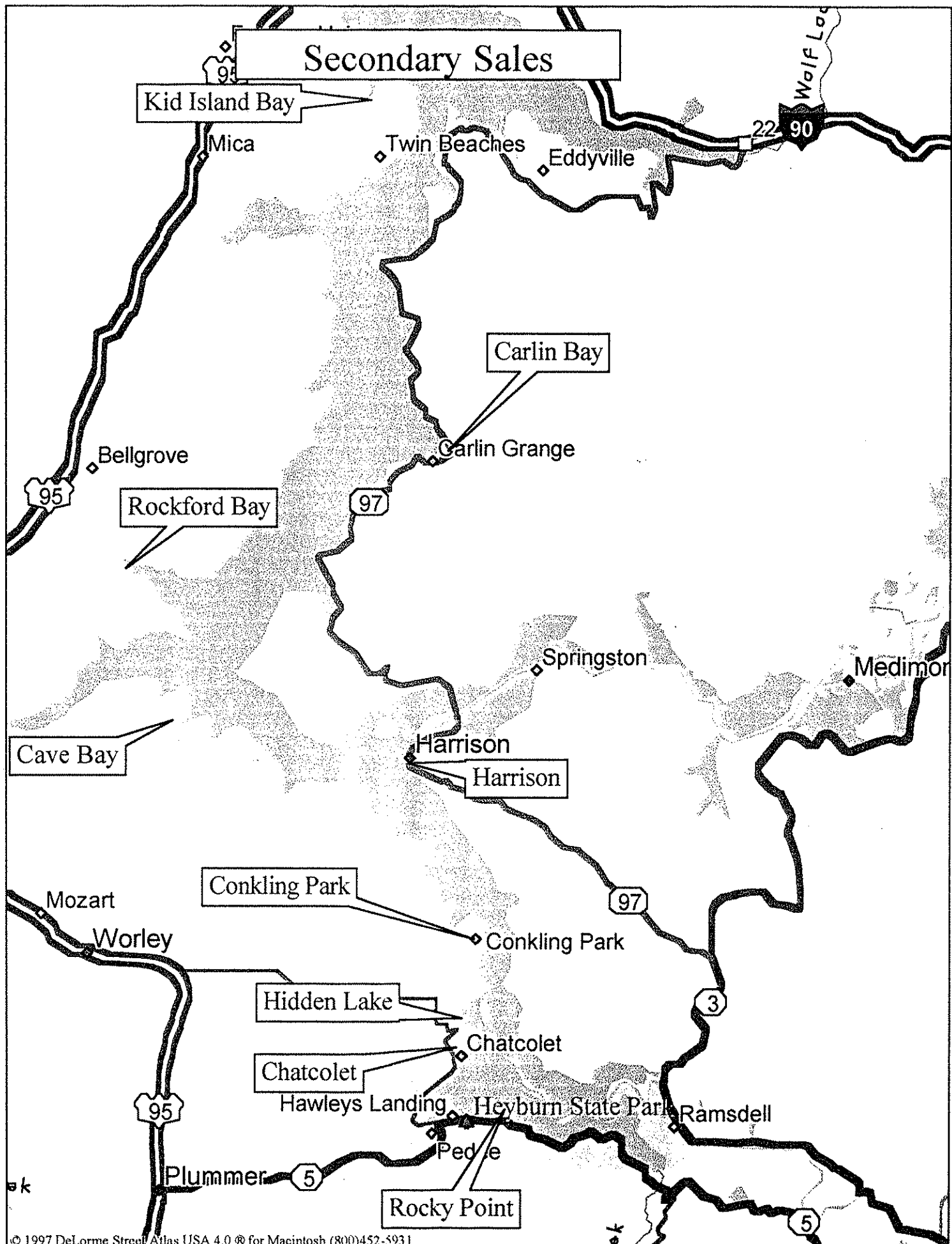
As seen on the preceding chart, secondary lots at Rocky Point develop indicated value rates ranging from \$22,800 to \$30,000, with a median of \$25,200. The summary table for the lots at Chatcolet, all of which are secondary, indicates a value range of \$20,400 to \$30,000, and develops a median of \$26,400. These indicated values fall well within the range of total sale prices developed by the comparables.

SECONDARY LAKE LOTS

As of Date: 8/13/98

#	DATE	ELAPSED TIME	LOCATION		LEGAL	SALE PRICE		SIZE	UTILITIES	OTHER	RATE
1S	6/25/97	13.80 mos.	KIB	NW	KIB 2nd L	\$ 23,500	0.19 ac.	8,276 sf	Comm. Sewer & Water (CMWS)	Slip Avail. Shallow bay	\$ 2.84/sf
2S	11/21/96	21.00 mos.	Ridgeview, Carlin Bay	E	L2 B1 Parkwood 1st.	\$35,000	0.73 ac.	31,799 sf	CMWS	20' Slip Inc.	\$ 1.10/sf
3S	9/23/96	22.97 mos.	Carlin Bay	E	L24 Shorelands Add.	\$42,000	0.25 ac.	11,021 sf	Com. Water	Common area surrounding lot with comm. beach	\$ 3.81/sf
4S	11/30/96	20.70 mos.	Rockford Bay	W	L6 B1, Woodland Shores	\$12,000	0.23 ac.	10,019 sf	CMWS	Slip Inc., Slip.	\$ 1.20/sf
5S	9/24/97	10.77 mos.	Rockford Bay	W	L7 B2 1st Add., Woodland Shores	\$21,500	0.22 ac.	9,583 sf	CMWS	Slip Inc.	\$ 2.24/sf
6S	7/21/97	12.93 mos.	Rockford Bay	W	L1 B2 1st Add., Woodland Shores	\$24,000	0.18 ac.	7,841 sf	CMWS	Slip Inc.	\$ 3.06/sf
7S	3/18/96	29.27 mos.	Cave Bay	SW	L27 2nd Add.	\$32,500	0.47 ac.	20,473 sf	CMWS	Slip Avail., Lev. to Rol.	\$ 1.59/sf
8S	7/11/96	25.43 mos.	Cave Bay	SW	L36	\$24,900	0.24 ac.	10,454 sf	CMWS	Slip Avail., Slip.	\$ 2.38/sf
9S	7/17/96	25.23 mos.	Cave Bay	SW	L6 B3 3rd Add.	\$21,500	0.28 ac.	12,197 sf	CMWS	Slip Avail., Lev. to Rol.	\$ 1.76/sf
10S	11/13/96	21.27 mos.	Cave Bay	SW	L5 B3 3rd Add.	\$16,000	0.28 ac.	12,197 sf	CMWS	Slip Avail., Lev. to Rol.	\$ 1.31/sf
11S	11/27/96	20.80 mos.	Cave Bay	SW	L9 B3 3rd Add.	\$20,500	0.30 ac.	13,068 sf	CMWS	Slip Avail., Slip.	\$ 1.57/sf
12S	6/20/96	26.13 mos.	Harrison	SE	L8 B5, Stoneridge	\$ 13,500	0.43 ac.	18,731 sf	CMWS	Lev. to Slip.	\$ 0.72/sf
13S	11/1/97	9.50 mos.	Harrison	SE	L2 B3, Stoneridge	\$ 15,900	0.74 ac.	32,234 sf	CMWS	Lev. to Slip.	\$ 0.49/sf
14S	8/6/96	24.57 mos.	Lacon Trts, Harrison	SE	L5 & 6 2nd Add.	\$37,000	1.20 ac.	52,272 sf	Water Assn.	No Slip, Slip. to Rol.	\$ 0.71/sf
15S	1/26/96	31.00 mos.	Conkling Park	SW	L 2 & 3 Hopps Add.	\$23,000	0.46 ac.	20,038 sf	CMWS	Slip Avail., Lvl. to Slip.	\$ 1.15/sf
16S	6/24/96	26.00 mos.	Conkling Park	SW	L11 B2 Harmons 2nd Add.	\$33,000	0.70 ac.	30,492 sf	CMWS	Slip Avail., Lvl. to Slip.	\$ 1.08/sf
17S	10/18/96	22.13 mos.	Conkling Park	SW	L10 B172 L 11 Hopps Add.	\$9,800	0.33 ac.	14,375 sf	CMWS	Slip Avail., Lvl. to Slip.	\$ 0.68/sf
18S	6/16/97	14.10 mos.	Conkling Park	SW	L40 Lakeside Add.	\$25,000	0.34 ac.	14,810 sf	CMWS	Slip Avail., Lvl. to Slip.	\$ 1.69/sf
* Adj. -\$1,000 for older trailer included in sale.											
Statistical Summary											
MIN.:	1/26/96	9.50 mos.				\$ 9,800	0.18 ac.	7,841 sf			\$ 0.49/sf
MAX.:	11/1/97	31.00 mos.				\$ 42,000	1.20 ac.	52,272 sf			\$ 3.81/sf
MEDIAN	10/31/96	21.70 mos.				\$ 23,250	0.32 ac.	13,721 sf			\$ 1.44/sf
ADV.:		20.98 mos.				\$ 23,922	0.42 ac.	18,327 sf			\$ 1.63/sf
STDEV.:		6.31 mos.				\$ 9,011	0.27 ac.	11,595 sf			\$ 0.91/sf
COVAR.:							0.38				0.56

Secondary Sales



Chatcolet Area

Key		
Typical Value:	\$ 24,000	
Parking	Limited	-5%
	Parking Yes	0%
Terrain	V Steep	-10%
	Steep	-5%
	Gentle to Steep	0%
	Gentle	5%
Timber	Timb. Yes	0%
Size	Typical	0%
	Large	10%
	Small	-10%
View	Very good	10%
	Yes	5%
	No	0%
Adj. Land	Pvt. Lot	0%
	Park Lot	5%
	Park	10%

#	Lease No	Type	Access	Parking	Terrain	Timber	Size	View	Adjacent	Total Adj.	VALUE
1	602	Secondary	2 roads	Limited	Steep	Timb. Yes	Typical	No	Pvt. Lot		
				-5%	-5%	0%	0%	0%	0%	-10%	\$ 21,600
2	591	Secondary	2 roads	Limited	Steep	Timb. Yes	Typical	No	Pvt. Lot		
				-5%	-5%	0%	0%	0%	0%	-10%	\$ 21,600
3	518	Secondary	2 roads	Limited	V Steep	Timb. Yes	Typical	No	Pvt. Lot		
				-5%	-10%	0%	0%	0%	0%	-15%	\$ 20,400
4	650	Secondary	2 roads	Limited	Steep	Timb. Yes	Typical	No	Pvt. Lot		
				-5%	-5%	0%	0%	0%	0%	-10%	\$ 21,600
5	648	Secondary	2 roads	Limited	Steep	Timb. Yes	Typical	No	Pvt. Lot		
				-5%	-5%	0%	0%	0%	0%	-10%	\$ 21,600
6	661	Secondary	2 roads	Parking Yes	Steep	Timb. Yes	Typical	No	Pvt. Lot		
				0%	-5%	0%	0%	0%	0%	-5%	\$ 22,800
7	613	Secondary	2 roads	Parking Yes	Gentle	Timb. Yes	Typical	No	Pvt. Lot		
				0%	5%	0%	0%	0%	0%	5%	\$ 25,200
8	626	Secondary	2 roads	Parking Yes	Gentle	Timb. Yes	Typical	No	Pvt. Lot		
				0%	5%	0%	0%	0%	0%	5%	\$ 25,200
9	629	Secondary	2 roads	Parking Yes	Gentle	Timb. Yes	Typical	No	Pvt. Lot		
				0%	5%	0%	0%	0%	0%	5%	\$ 25,200
10	635	Secondary	2 roads	Parking Yes	Gentle	Timb. Yes	Typical	No	Pvt. Lot		
				0%	5%	0%	0%	0%	0%	5%	\$ 25,200
11	506	Secondary	2 roads	Parking Yes	Gentle	Timb. Yes	Typical	No	Park Lot		
				0%	5%	0%	0%	0%	5%	10%	\$ 26,400
12	541	Secondary	2 roads	Parking Yes	Gentle	Timb. Yes	Typical	No	Park Lot		
				0%	5%	0%	0%	0%	5%	10%	\$ 26,400
13	514	Secondary	2 roads	Parking Yes	Gentle	Timb. Yes	Typical	No	Pvt. Lot		
				0%	5%	0%	0%	0%	0%	5%	\$ 25,200
14	598	Secondary	2 roads	Parking Yes	Gentle	Timb. Yes	Typical	No	Park Lot		
				0%	5%	0%	0%	0%	5%	10%	\$ 26,400
15	596	Secondary	2 roads	Parking Yes	Gentle	Timb. Yes	Large	No	Park Lot		
				0%	5%	0%	10%	0%	5%	20%	\$ 28,800
16	523	Secondary	1 road	Parking Yes	Gentle	Timb. Yes	Typical	No	Pvt. Lot		
				0%	5%	0%	0%	0%	0%	5%	\$ 25,200
17	636	Secondary	1 road	Parking Yes	Gentle	Timb. Yes	Typical	No	Park		
				0%	5%	0%	0%	0%	10%	15%	\$ 27,600
18	520	Secondary	1 road	Parking Yes	Gentle	Timb. Yes	Typical	No	Park		
				0%	5%	0%	0%	0%	10%	15%	\$ 27,600
19	537	Secondary	2 roads	Parking Yes	Gentle	Timb. Yes	Large	No	Pvt. Lot		
				0%	5%	0%	10%	0%	0%	15%	\$ 27,600
20	583	Secondary	2 roads	Parking Yes	Gentle	Timb. Yes	Large	No	Pvt. Lot		
				0%	5%	0%	10%	0%	0%	15%	\$ 27,600
21	615	Secondary	2 roads	Parking Yes	Gentle to Steep	Timb. Yes	Typical	Yes	Pvt. Lot		
				0%	0%	0%	0%	5%	0%	5%	\$ 25,200
22	597	Secondary	2 roads	Parking Yes	Steep	Timb. Yes	Typical	Yes	Pvt. Lot		
				0%	-5%	0%	0%	5%	0%	0%	\$ 24,000
23	574	Secondary	2 roads	Limited	Steep	Timb. Yes	Typical	Yes	Park Lot		
				-5%	-5%	0%	0%	5%	5%	0%	\$ 24,000
24	548	Secondary	2 roads	Parking Yes	Steep	Timb. Yes	Typical	Yes	Park Lot		
				0%	-5%	0%	0%	5%	5%	5%	\$ 25,200
25	501	Secondary	2 roads	Parking Yes	Steep	Timb. Yes	Typical	Yes	Pvt. Lot		
				0%	-5%	0%	0%	5%	0%	0%	\$ 24,000
26	616	Secondary	2 roads	Parking Yes	Steep	Timb. Yes	Typical	Yes	Pvt. Lot		
				0%	-5%	0%	0%	5%	0%	0%	\$ 24,000
27	601	Secondary	2 roads	Parking Yes	Steep	Timb. Yes	Large	Yes	Pvt. Lot		
				0%	-5%	0%	10%	5%	0%	10%	\$ 26,400

Chatcolet Area											
#	Lease No	Type	Access	Parking	Terrain	Timber	Size	View	Adjacent	Total Adj.	VALUE
28	652	Secondary	2 roads	Parking Yes	Gentle	Timb. Yes	Typical	Yes	Pvt. Lot		
				0%	5%	0%	0%	5%	0%	10%	\$ 26,400
29	525	Secondary	2 roads	Limited	Gentle	Timb. Yes	Small	Yes	Pvt. Lot		
				-5%	5%	0%	-10%	5%	0%		
30	556	Secondary	2 roads	Limited	Gentle	Timb. Yes	Small	No	Pvt. Lot		
				-5%	5%	0%	-10%	0%	0%	-10%	\$ 22,800
31	612	Secondary	2 roads	Limited	Gentle	Timb. Yes	Small	No	Pvt. Lot		
				-5%	5%	0%	-10%	0%	0%	-10%	\$ 21,600
32	664	Secondary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Large	No	Park		
				0%	0%	0%	10%	0%	10%	20%	\$ 28,800
33	655	Secondary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Large	No	Pvt. Lot		
				0%	0%	0%	10%	0%	0%	10%	\$ 26,400
34	630	Secondary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Large	No	Park Lot		
				0%	0%	0%	10%	0%	5%	15%	\$ 27,600
35	594	Secondary	Dirt road	Parking Yes	Gentle	Timb. Yes	Large	No	Park Lot		
				0%	5%	0%	10%	0%	5%	20%	\$ 28,800
36	505	Secondary	Dirt road	Parking Yes	Gentle	Timb. Yes	Large	No	Park		
				0%	5%	0%	10%	0%	10%	25%	\$ 30,000
37	531	Secondary	2 dirt roads	Parking Yes	Gentle	Timb. Yes	Large	No	Pvt. Lot		
				0%	5%	0%	10%	0%	0%	15%	\$ 27,600
38	549	Secondary	2 dirt roads	Parking Yes	Gentle	Timb. Yes	Large	No	Pvt. Lot		
				0%	5%	0%	10%	0%	0%	15%	\$ 27,600
39	562	Secondary	2 dirt roads	Parking Yes	Gentle	Timb. Yes	Large	No	Pvt. Lot		
				0%	5%	0%	10%	0%	0%	15%	\$ 27,600
40	575	Secondary	2 dirt roads	Parking Yes	Gentle	Timb. Yes	Large	No	Pvt. Lot		
				0%	5%	0%	10%	0%	0%	15%	\$ 27,600
41	504	Secondary	2 dirt roads	Parking Yes	Gentle	Timb. Yes	Large	No	Pvt. Lot		
				0%	5%	0%	10%	0%	0%	15%	\$ 27,600
42	517	Secondary	2 dirt roads	Parking Yes	Gentle	Timb. Yes	Large	No	Pvt. Lot		
				0%	5%	0%	10%	0%	0%	15%	\$ 27,600
43	586	Secondary	2 dirt roads	Parking Yes	Gentle	Timb. Yes	Large	No	Pvt. Lot		
				0%	5%	0%	10%	0%	0%	15%	\$ 27,600
44	529	Secondary	2 dirt roads	Parking Yes	Gentle	Timb. Yes	Large	No	Park Lot		
				0%	5%	0%	10%	0%	5%	20%	\$ 28,800
45	634	Secondary	2 dirt roads	Parking Yes	Gentle	Timb. Yes	Large	No	Park Lot		
				0%	5%	0%	10%	0%	5%	20%	\$ 28,800
46	570	Secondary	2 dirt roads	Parking Yes	Gentle	Timb. Yes	Large	No	Park		
				0%	5%	0%	10%	0%	10%	25%	\$ 30,000
47	564	Secondary	Dirt road	Parking Yes	Gentle to Steep	Timb. Yes	Typical	No	Park		
				0%	0%	0%	0%	0%	10%	10%	\$ 26,400
48	561	Secondary	Dirt road	Parking Yes	Gentle	Timb. Yes	Typical	No	Park Lot		
				0%	5%	0%	0%	0%	5%	10%	\$ 26,400
49	589	Secondary	Dirt road	Parking Yes	Gentle	Timb. Yes	Typical	Very good	Park		
				0%	5%	0%	0%	10%	10%	25%	\$ 30,000
50	539	Secondary	Dirt road	Parking Yes	Gentle	Timb. Yes	Large	Very good	Pvt. Lot		
				0%	5%	0%	10%	10%	0%	25%	\$ 30,000
51	521	Secondary	Dirt road	Parking Yes	Gentle	Timb. Yes	Large	Very good	Pvt. Lot		
				0%	5%	0%	10%	10%	0%	25%	\$ 30,000
52	637	Secondary	Dirt road	Parking Yes	Gentle	Timb. Yes	Typical	Very good	Park		
				0%	5%	0%	0%	10%	10%	25%	\$ 30,000
MIN.:											
MAX.:											\$ 20,400
MEDIAN:											\$ 30,000
											\$ 26,400

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SUMMARY APPRAISAL REPORT - COMPLETE APPRAISAL

Float Home Sites/Dock Lots

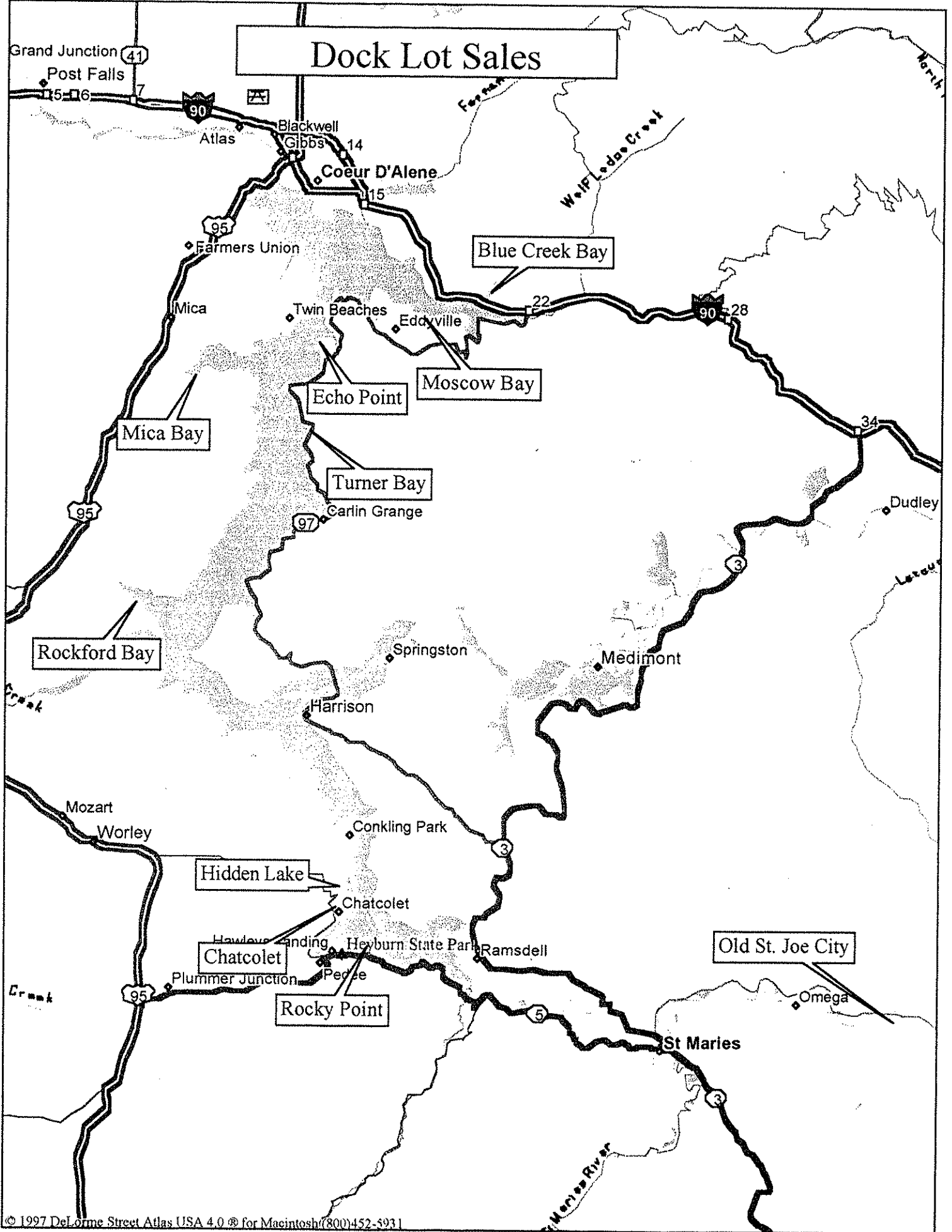
The 12 dock lot comparables analyzed took place between February of 1994 and April of 1998. They develop sale prices ranging from \$12,500 to \$48,000, with a median of \$24,500. Dock Lot Sales #1, #2, and #3 included the float homes and have been adjusted accordingly. The balance of the sales are of non-buildable lots adaptable for float home sites. Dock Lot Sale #12 is on the St. Joe River, and while it is not adaptable for a float home, it is nevertheless competitive because it is non-buildable.

As in the previous analyses, the total sale price develops the lowest coefficient and provides the best indication of value. The highest value indications are developed by Dock Lot Sales #1, #2, and #3, but they depend upon an allocation to the float homes, making them less reliable than the sales of lots only. The median indicated value of \$24,500 is below the average value \$27,958, indicating that the probability distribution of these sales is biased toward the upper end. Therefore, for the purpose of this analysis, the median is accepted as the best indication of central tendency, as it is least influenced by extreme values.

The dock lots are all similar in value, as they all consist of use of the water and minimum use of the associated land along the waterfront. While some have a shorter walking distance to the parking lots, others offer greater privacy, an offsetting factor. The primary means of access to the dock lots is by boat, and for the most part, the lake frontage is steep. Based on these factors, all the dock lots are judged to have the same value. It is therefore judged that the typical value of the float home sites, or dock lots, located at Hidden Lake is \$25,000.

DOCK LOT SALES																
As of Date:		8/13/98														
#	DATE	ELAPSED TIME	LOCATION			PRICE	IMPROV.	REAL ESTATE	FF	DEPTH	SIZE		UTILITIES	OTHER	RATE	
1D	12/1/97	8.50 mos.	Blue Creek Bay	1-49-3	NE	\$ 75,000	\$ 27,000	\$ 48,000	70 ft	159 ft	0.26 ac.	11,108 sf			\$ 686/ff	\$ 4.32/sf
2D	11/1/96	21.67 mos.	Moscow Bay	3-49-3	NE	\$ 55,000	\$ 12,000	\$ 43,000	100 ft	440 ft	1.01 ac.	43,996 sf	Power / Phone	No rd. access, Slip. to Stp.	\$ 430/ff	\$ 0.98/sf
3D	8/1/94	49.10 mos.	Beauty Bay	6-49-2	NE	\$ 60,000	\$ 26,000	\$ 34,000	103 ft					No rd. access	\$ 331/ff	
4D	2/15/94	54.67 mos.	Moscow Bay	3-49-3	NE	\$ 16,000	\$ -	\$ 16,000	100 ft	400 ft	1.20 ac.	52,272 sf	Power / Phone	No rd. access, Slip. to Stp.	\$ 160/ff	\$ 0.31/sf
5D	3/23/94	53.47 mos.	Moscow Bay	3-49-3	NE	\$ 18,000	\$ -	\$ 18,000	100 ft	400 ft	1.20 ac.	52,272 sf	Power / Phone	No rd. access, Slip. to Stp.	\$ 180/ff	\$ 0.34/sf
6D	6/11/96	26.43 mos.	Moscow Bay	L7, Emerald Shores	NE	\$ 20,000	\$ -	\$ 15,000	77 ft	400 ft	0.71 ac.	30,800 sf	Power / Phone	No rd. access, Slip. to Stp.	\$ 195/ff	\$ 0.49/sf
7D	4/16/98	3.97 mos.	Moscow Bay	L7, Emerald Shores	NE	\$ 15,000	\$ -	\$ 15,000	77 ft	400 ft	0.71 ac.	30,800 sf	Power / Phone	No rd. access, Slip. to Stp.	\$ 195/ff	\$ 0.49/sf
8D	5/8/96	27.57 mos.	Echo Point	S 1/2 L4, Panarama View	NE	\$ 28,000	\$ -	\$ 28,000	30 ft	400 ft	0.28 ac.	12,000 sf	Power / Phone	Private Rd., Steep	\$ 933/ff	\$ 2.33/sf
9D	8/2/95	36.90 mos.	Mica Bay	Tax 7495	NW	\$ 47,500	\$ -	\$ 47,500	100 ft	100 ft	0.23 ac.	10,000 sf	Power/phone, No Sewer / Lake Warter	Road/steep, Dock/Piling	\$ 475/ff	\$ 4.75/sf
10D	1/25/96	31.03 mos.	Turner Bay	L8 B2 Leland	E	\$ 37,500	\$ -	\$ 37,500	75 ft	176 ft	0.24 ac.	10,454 sf	Offsite Septic	Easement for Paved Road, Slip. to Stp.	\$ 500/ff	\$ 3.59/sf
11D	6/28/96	25.87 mos.	Watson Rd., Rockford Bay	L4 GL B3 Woodland Shores	W	\$ 12,500	\$ -	\$ 12,500	100 ft	100 ft	0.23 ac.	10,019 sf	CMWS	Common slips, Lvl. to Stp.	\$ 125/ff	\$ 1.25/sf
12D	9/19/96	23.10 mos.	Old St. Joe City	L21 St Joe Riverside, 13-47-1	S	\$ 21,000	\$ -	\$ 21,000	125 ft	400 ft	1.14 ac.	49,658 sf	No Services	Non Buildable	\$ 168/ff	\$ 0.42/sf
Statistical Summary																
MIN.:		2/15/94	3.97 mos.			\$ 12,500			30 ft		0.23 ac.	10,000 sf			\$ 125/ff	\$ 0.31/sf
MAX.:		4/16/98	54.67 mos.			\$ 48,000			125 ft		1.20 ac.	52,272 sf			\$ 933/ff	\$ 4.75/sf
MEDIAN		5/25/96	27.00 mos.			\$ 24,500			100 ft		0.71 ac.	30,800 sf			\$ 263/ff	\$ 0.98/sf
ADV.:						\$ 27,958			88 ft		0.65 ac.	28,489 sf			\$ 365/ff	\$ 1.75/sf
STDEV.:						\$ 13,493									\$ 251/ff	\$ 1.71/sf
COVAR.:						0.48									0.69	0.98

Dock Lot Sales



SUMMARY APPRAISAL REPORT - COMPLETE APPRAISAL

Concluded Value Ranges

Based on the analyses discussed in this report, the indicated market value ranges for each type of recreational residence site are shown below. The indicated values for each individual lot are found on the charts on the referenced summary pages.

Rocky Point

Primary: \$33,750/lot to \$51,750/lot
Secondary: \$22,800/lot to \$30,000/lot
Summary: Pages 30, 31, 32

Hanson's Haven

Primary: \$51,750
Summary: Page 32

Hawley's Landing

Primary: \$36,000 to \$48,000
Summary: Page 33

Chatcolet

Secondary: \$20,400 to \$30,000
Summary: Pages 37, 38

Dock Sites \$25,000 each

ADDENDA

ASSUMPTIONS AND LIMITING CONDITIONS

Unless otherwise stated, this appraisal report is made expressly subject to the following conditions and stipulations:

In the course of developing this appraisal, we have relied on information gathered from numerous individuals. Although we have attempted to verify these data where possible, we assume no liability should these data be proven inaccurate. We have assumed the data obtained from these individuals is true and correct.

This appraisal report has been prepared in accordance with appraisal standards and reporting requirements of the Appraisal Institute and the Appraisal Foundation.

The date of value to which the opinions expressed in this report apply is set forth in the letter of transmittal. We assume no responsibility for economic or physical factors occurring at some later date which may affect the opinions stated herein. Should any additional pertinent information become available after the date of the appraisal, the appraisal may be subject to revision, and an additional fee for these services.

Any projections included in this report are utilized to assist in the valuation process and are based on current market conditions, anticipated short term supply and demand factors, and a local economy similar to the current economy. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraisers and could affect the future income or value projections.

No opinion is intended to be expressed for legal matters or that which would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report. A reasonable attempt has been made to consider all available governmental regulations or restrictions, but we assume no responsibility for future conditions that are not readily available or public knowledge at the time the appraisal is made.

No opinion as to title is rendered. Data on ownership and the legal description were obtained from sources generally considered reliable. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements, and restrictions, except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management, and available for its highest and best use.

No engineering survey has been made by us. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.

Maps, plats, and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.

LIMITING CONDITIONS

No opinion is expressed as to the value of subsurface oil, gas, or mineral rights, and the property is not known to be subject to surface entry for the exploration or removal of such materials, except as is expressly stated.

Testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal, unless such arrangements are made a reasonable time in advance.

The liability of Auble & Associates, Inc., and its employees, is limited to the client only and only up to the amount of the fee actually received for the assignment. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. We are in no way responsible for any costs incurred to discover or correct any deficiency in the property.

Because no title report was made available to us, we assume no responsibility for such items of record not disclosed by our normal investigation.

No detailed soil studies covering the subject property were available to us. Therefore, premises as to soil qualities employed in this report are not conclusive but have been considered consistent with information available to us.

At the request of the client, the scope of this appraisal report has been limited to include the valuation of only the land.

It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws, unless noncompliance is stated, defined, and considered in the appraisal report. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous material, or the existence of underground storage tanks for petroleum products, may affect the value of the property. We are not qualified to detect such substances. The value estimate is predicated on the assumption that there are no such materials or tanks on or in the property in a form or condition that would cause a loss in value. This appraisal has been developed under the assumption that there has been no discharge, dumping, spillage, uncontrolled loss, seepage, migration, or storage of hazardous substances that would adversely affect the value of the subject property. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain experts in the various fields if desired.

This report is prepared based on the assumption that the property is not, nor will it be, in violation of the National Environmental Policy Act, State Environmental Policy Act, Shoreline Management Act, or any and all similar government regulations or laws.

AUBLE & ASSOCIATES, INC.
REAL ESTATE COUNSELORS, ANALYSTS, & APPRAISERS

TERRY R. SAVAGE, MAI

PROFESSIONAL MEMBERSHIPS AND ASSOCIATIONS

- Member, Appraisal Institute (MAI #10695)
- Washington State Certified Appraiser No. 270-11 SA-VA-GT-R551DP

BUSINESS EXPERIENCE

- Staff Appraiser, Auble & Associates, Inc., 1987 to Present
- Chief Real Estate Appraiser and Consultant, Montana Department of State Lands, 1983-1987
- Manager, Savage Lands, Missoula, Montana, 1976-1982
- Manager, Strout Realty, Missoula, Montana, 1969-1975
- Montana Licensed Real Estate Broker, 1969
- Qualified as expert witness in Washington State Superior Court
- Familiar with the valuation of most property types and a specialist in unusual and special purpose properties.

EDUCATION

- University of Montana, Missoula, Montana, Graduated 1969
B.A. in Business Finance/Economics
Graduate work in Computer Sciences, Business, and Analysis
- Appraisal Institute
Standards of Professional Practice, 1991
- Various Appraisal Seminars in commercial evaluation, highest and best use, etc.
- Technical Inspection of Real Estate, Environmental Considerations in Real Property
- Completed all the educational and examination requirements for the MAI designation
- International Right-of-Way Association
The Appraisal of Partial Acquisitions, 1986
Skills of Expert Testimony, 1985
- American Institute of Real Estate Appraisers
Real Estate Appraisal Principles, 1983 & 1994
Market Analysis, 1987
Professional Appraisal Standards, 1985
Rural Valuation, 1985
Real Estate Investment Analysis, 1985
Litigation Valuation, 1984
Valuation Analysis and Report Writing, 1984
Case Studies in Real Estate Valuation, 1984
Capitalization Theory & Techniques,
Parts A & B, 1984
Basic Valuation Procedures, 1983

PROPERTY TYPES ANALYZED

SPECIAL PURPOSE PROPERTIES

- Grain Processing Facilities
- Apple Processing Facilities
- Juice Processing Facilities
- Banking Facilities
- Timberland
- Medical Buildings

OTHER

- Highest & Best Use Studies
- Feasibility Studies
- Lease Analysis
- Marketing Time Studies
- Access Analysis
- Subdivision Development

GENERAL PROPERTIES

- Office Buildings
- Retail Buildings
- Industrial Buildings
- Ranches
- Recreational Properties
- Resorts

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AUBLE & ASSOCIATES, INC.
REAL ESTATE COUNSELORS, ANALYSTS, & APPRAISERS

SCOT D. AUBLE, MAI, PRESIDENT

PROFESSIONAL MEMBERSHIPS AND ASSOCIATIONS

- President, Inland Northwest Chapter of Appraisal Institute, 1998
- Member Appraisal Institute, MAI Certificate #10620
- State of Washington Certified Real Estate Appraiser, General Classification No. 270-11 AU-BL-ES-D380C5
- State of Idaho Certified General Appraiser, Certificate No. CGA-220
- Member, Spokane Home Builders Association
- Member, Spokane County Board of Equalization

BUSINESS EXPERIENCE

- Appraiser, President, Auble & Associates, Inc.
- Qualified as Expert Witness in Spokane County, Washington
- Owner-operator, Service Station, Spokane, Washington
- Stoneridge Condominiums, Staff Member, Blanchard, Idaho
- Familiar with the valuation of nearly all property types; specialist in development land and subdivisions

EDUCATION

- Washington State University, Bachelor of Arts in Criminal Justice
- Appraisal Institute:
 - Completed all the educational & examination requirements for the MAI designation, 1994
 - Highest and Best Use and Market Analysis, 1998
 - Timberland Valuation, 1997
 - Working With Legal Descriptions, 1996
 - Zoning, Police Power & Regulatory Takings, 1996
 - Standards of Professional Practice, 1995
 - Litigation Valuation, 1995
 - Understanding Limited Appraisals-General, 1994
 - Subdivision Analysis, 1994
 - Appraisers Complete Review Seminar, 1994
- Report Writing and Valuation Analysis, 1993
- Standards of Professional Practice, 1991
- Case Studies in Real Estate Valuation, 1991
- Appraisal Theory, 1991
- State Certification Program, 1991
- Appraiser's Legal Liability, 1990
- American Institute of Real Estate Appraisers:
 - Valuation of Leased Interest Part I and II, 1989
 - Capitalization Theory & Techniques Part A, 1989
 - Capitalization Theory & Techniques Part B, 1989
 - Cash Equivalency, 1988
 - Basic Valuation, 1986
 - Appraisal Principles, 1985

PROPERTY TYPES ANALYZED

- | | | |
|-------------------------------|----------------------------------|--------------------------|
| • Residential Subdivisions | • Waterfront Land & Developments | • Agricultural Land |
| • Feasibility Analyses | • Master Planned Developments | • Commercial Conversions |
| • Apartment Projects | • Lease Analysis | • Office Buildings |
| • Industrial Land & Buildings | • Expert Witness Testimony | • Banking Facilities |
| • Commercial Land & Buildings | • Right-of-Way | • Day-Care Centers |
| • Mobile Home Parks | • High-End Homes & Estates | • Personal Investments |
| • Timberland | • Ranches | |

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